THE EMPIRE CLUB

ADDRESSES 1962-1963

THE EMPIRE CLUB OF CANADA

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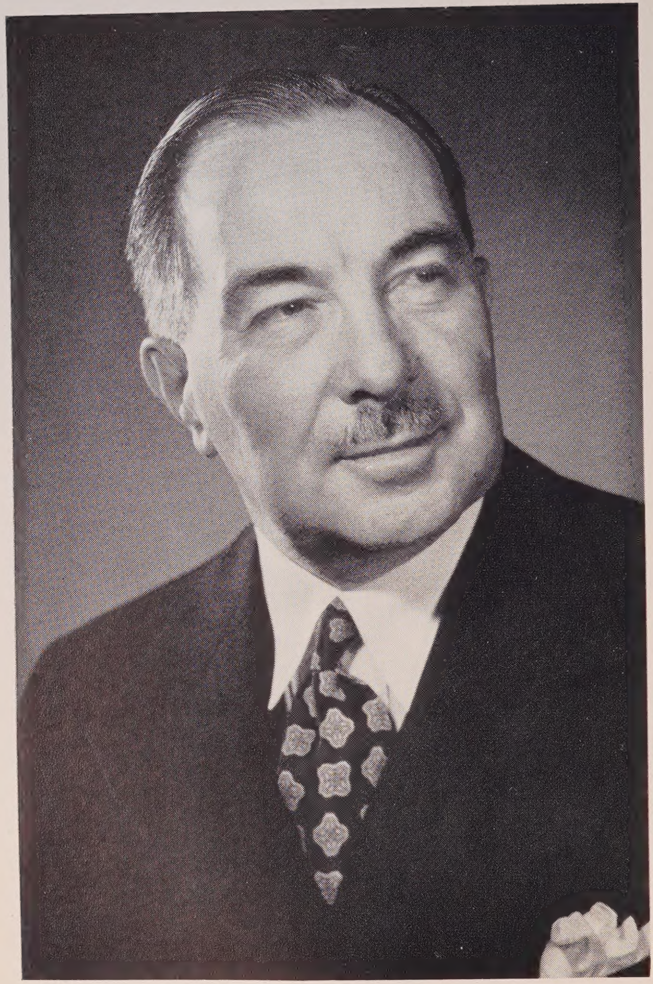

J. PALMER KENT, Q.C.
PRESIDENT OF THE EMPIRE CLUB OF CANADA
1962-63

THE EMPIRE CLUB OF CANADA

Addresses 1962-1963

GOD SAVE THE QUEEN

T. H. BEST PRINTING COMPANY LIMITED
DON MILLS, ONT.

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The Empire Club of Canada

Sixtieth Year of Issue

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1962-63

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EXCERPT FROM "ORIGIN AND OBJECTS OF THE EMPIRE CLUB" PUBLISHED IN THE YEAR BOOK FOR 1903-1904

On November 18th, 1903, a small meeting was held in Webb's Restaurant, Toronto, mainly on the initiative of Lieut.-Col. James Mason, for the purpose of preliminary discussion. The Chairman in a brief speech pointed to the desirability of an organization, following the plan of weekly luncheons, to be addressed by prominent men, or men speaking with authority upon the issues of the day, and having also a distinctive basis of British Unity in its work and policy.

A sub-Committee met on the following day and appointed . . . . . a Committee to draft a Constitution.

The meeting at which these principles and rules were approved and organization effected was held at the Luncheon hour on November 25th, in Webb's Restaurant, with some seventy gentlemen present . . . . after a discussion of various proposed names . . . . The Empire Club of Canada . . . . was approved by a large majority.

THE ROYAL COMMONWEALTH SOCIETY

AND

THE EMPIRE CLUB OF CANADA

The Royal Commonwealth Society of London, England, and The Empire Club of Canada at Toronto were both founded for a single purpose and with a common aim:—The strengthening of the bonds of unity within the Commonwealth. This mutual objective is prosecuted with vigorous enthusiasm by the members of these organizations on both sides of the Atlantic Ocean.

The opinions and views expressed in the Addresses contained in this volume are those of the speakers themselves and do not necessarily carry the full or partial endorsement of The Empire Club of Canada.

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THE EMPIRE CLUB OF CANADA

"PROGRESS AND STABILITY IN ONTARIO"

An Address by

THE HONOURABLE JOHN P. ROBARTS, Q.C.
Prime Minister of Ontario

Thursday, October 4, 1962

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: It is a great pleasure to have as our guest at the first meeting of The Empire Club this season, the Prime Minister of Ontario, the Honourable John P. Robarts, Q.C.

In his letter of resignation as the leader of the Conservative Party in Ontario, the Hon. Mr. Frost said:

"The time has arrived to re-assess the leadership of the Party and develop the very great talent it possesses."

As you remember, that is precisely what has since occurred. Some 1,780 delegates from all ridings in the Province, in a most democratic convention, selected our honoured guest, and he assumed the mantle of leadership less than a year ago.

During World War II, Mr. Robarts served with distinction in the Royal Canadian Navy. This included service in the Atlantic, the Mediterranean and in the Pacific. For distinguished service in connection with the landing at Salerno in 1943, he was mentioned in dispatches.

Although born in Alberta, our young Premier was raised and educated in Ontario. Only four years after he became qualified to practise law, he was elected as an Alderman on the London City Council and also as a member of the Legislative Assembly, representing London North. That was 1951. Since then, he has been a member of the Ontario

Water Resources Commission, Chairman of the Select Committee on Toll Roads and Highway Financing, Minister without Portfolio in the Cabinet, and, in 1959, he assumed the most important post of Minister of Education, which post he still retains.

Mr. Robarts is an Anglican, married to the former Miss Norah McCormick of London, and they have two boys, 9 and 6 years of age. As Prime Minister he has demonstrated his keen interest in the economic development of our Province and therefore in the welfare of all its people. Recently he has been travelling throughout Ontario, including its Northern Area. Thus as a young and vigorous leader, he has fitted himself for the great responsibilities he has been chosen to assume. I am delighted to present to you the Honourable John P. Roberts, Q.C., Prime Minister of Ontario.

MR. ROBARTS: I am delighted to be here at the opening meeting of your programme for the Fall and Winter of 1962. The long summer and holiday period having concluded, it is perhaps appropriate that we should pause to assess our accomplishments for the first half of the year and to take stock of our economic position. I would like to review briefly our present position, outline to you the challenges which we foresee ahead and to describe to you the policies which we have evolved to meet these challenges. I am extremely pleased to be able to report that Ontario is on the way to a record year. This spring our economists forecast that the Gross Provincial Product would increase by about 6 per cent in 1962, and with more than half of the year now gone it looks as though we are going to achieve this rate of growth. Ontario, therefore, is heading for a record-breaking year in terms of production, employment and incomes. In fact, I am confident that 1962 will be one of the best years in Ontario's history.

Undoubtedly, the most encouraging development of 1962 has been the remarkable improvement in the fortunes of our manufacturing industries. In the first seven months of the year shipments of manufactured goods from Ontario industries reached a total value of $7.5 million—12 per cent higher than in the same period last year.

The expansion in the manufacturing sector has been led by steadily increasing production in Ontario's motor vehicle industry. There is little question that in Ontario the automotive industry sets the tempo for manufacturing as a whole, and with an extremely good year in the automotive industry almost every other manufacturing concern moved ahead. During the first eight months of 1962 production of motor vehicles was about 30 per cent higher than in the same period of 1961. Figures available on the production of other consumer durables such as refrigerators and washers indicate improvements over last year for the first seven months. Even though our steel industry ran at record levels last year production has been increasing. Production was up 11 per cent for the January—August period. On the basis of the evidence available it would appear that manufacturing in Ontario will set new records in production during 1962. This is particularly encouraging because of the effect that the expansion in the manufacturing sector has had on employment. For the first time since 1957 a significant number of new employment opportunities were opening up in the manufacturing sector.

The news from the farm front is also good. With a few exceptions, production of our field crops was up this year—well above the ten year average. Prices of animals remained high during the year, mainly as a result of increased feed prices caused by drought conditions in Western Canada last year. With firm prices and high production levels we can expect to see farm incomes in the province approximate or exceed the record levels established last year.

One of the most heartening signs in the economy has been the recovery of new capital investment. Expenditures on new structures, machinery and equipment for 1962 will approach the $3.2 billion level—comparable with the record year of 1957. As a result, the construction industry as a whole is enjoying a modest boom. One of the best indicators of the improved conditions in this industry has been the increase in employment in construction. Most of the strength has been concentrated in business and institutional projects, with the Ontario school building programme being one of the major influences. There has not been any marked improvement in residential construction although completions this year are running well ahead of last year for the first seven months. On the whole, the outlook in the residential field is one of modest growth until the family formation rates recover in the mid-1960's.

Pulp and paper production has been maintained at near record levels. Mining output has also been maintained at a fairly high level. The most marked improvement was in shipments of iron ore which were running almost 75 per cent above last year for the first six months. The slackness in Ontario's primary industries has been caused primarily by the uncertainty of future economic conditions felt by many industrial consumers in the United States. Another indication of weakness in demand was the decision on the part of the International Nickel Company to cut back production for the remaining months of 1962. It is extremely difficult at this time to estimate the total gross value of production of our resource industries for the year. However, we do expect that there will be no large-scale decline in output and there may well be some improvements. A great deal depends on the direction of the United States economy—Ontario's chief customer of natural resources.

The general expansion in the productive sectors of the economy means that the incomes and expenditures of Ontario residents are rising. The rate of increase of labour income in Ontario has accelerated during the year. The major factor here has been the new employment opportunities opening up in manufacturing. This increase in incomes, however, has been partly offset by a general rise in the consumer price index. If present trends continue, consumer prices will be up more than 2 per cent during the year.

On the expenditure side, retail sales were running at about 3 per cent higher in the first seven months of 1962 than they were in the same seven months of 1961. While the actual volume of sales has not risen as much because of a price increase, the outlook for retail trade is promising for the year.

Another significant feature of the year has been the marked improvement in the level of corporation profits. Most companies have been reporting significant increases in sales and profits in the first six months of the year and we can expect this to be maintained in the last half. Certainly an improvement in the profit picture has been reflected by the fact that most companies are now saying that they will carry out their anticipated 1962 capital investment programmes.

As a result of the expansion in the economy, the employment situation on the whole has improved during the year. In the period from May to August, 1962, employment in Ontario was maintained at over 2.3 million workers (on a seasonally adjusted basis), a record level. The rate of unemployment stood at 4.6 per cent of the labour force, seasonally adjusted, in August. It is somewhat discouraging that an increase in employment opportunities has not been sufficient to reduce materially the level of unemployment in Ontario. While unemployment in Ontario is still below that in Canada there has not been any large-scale reduction in the rate of unemployment throughout 1962. Most of the improvement in employment this year has been concentrated in the services, manufacturing, transportation and construction. As I pointed out before, the fact that manufacturing has been employing more people this year is particularly encouraging. There is no question that we still have an unemployment problem but the magnitude of this problem has been drastically reduced within the last year. However, present indications suggest that we can expect an increase in unemployment influenced primarily by seasonal factors in the coming months.

A full account of our economic position should not ignore the short and long run problems with which our economy is faced. In the short run there is a danger that the rate of increase in production, employment and incomes that we have had during 1962 will not continue in 1963. Several economists in Canada have already gone on record stating that the Canadian economy will take a cyclical downturn sometime late in 1962 or early in 1963. The timing and duration of this recession would depend for the most part upon economic conditions in the United States. There is no question that if the American economy slips or fails to maintain momentum Ontario will be adversely affected. On top of this there are some signs that the rate of expansion in Western Europe has been decelerating in recent months.

As far as the Ontario economy is concerned, it is difficult to make any firm forecast on the basis of statistical data relating to Ontario. Most of the major economic indicators for the Province have shown mixed trends which have been overshadowed by a general bias towards expansion. One of the major leading indicators, the Industrial Stock Index, has fallen off sharply indicating to a certain extent a general lack of confidence in business prospects over the next 12 to 18 months. This has been a common feature to North America as a whole. As a result, it is extremely difficult to make any firm forecast about the direction the economy is now taking. We are confident that the general favourable conditions now exhibited by the economy will last until the end of this year. Beyond that, we will have to wait and see.

There is no question that the balance of payments situation which has led to the devaluation of the Canadian dollar and the austerity programme is one of our most difficult current economic problems. By saying this, I do not wish to imply that the Ontario Government is not concerned with unemployment and growth rates. We are. However, we do feel that in order to attack the problem of a slow-down in growth and unemployment we must first put our international financial affairs in order. Fortunately, we do not have to divorce the balance of payments problem from the economic growth and unemployment problems with which we are now faced. They are all intimately interconnected, and in our view can be attacked by a simple and comprehensive programme. Let us pause for a moment and examine this problem.

Basically, the balance of payments problem has arisen because Canadians as a whole have not produced and sold in international markets enough goods and services to pay for the goods and services which we have imported. As a result, we have had to borrow money to pay for the deficit on our current trading account. In the last ten years we have had to borrow approximately $9 billion.

What has happened is simply this. We have been expanding our credit at an increasing rate without doing enough to raise our incomes from sales abroad. In a period of slow growth, foreign capital suddenly becomes unavailable and we have had to face the fact that we can no longer afford the luxury of continuing deficits in our merchandise account. Our creditors have at last presented the bill.

What is needed, then, is a programme designed to expand our exports of goods and services, and decrease our imports of goods and services so as to give us sufficient revenues with which to meet our enormous foreign debt. In other words, what we should aim for is a surplus on current account. The question that should be asked is whether a programme designed to increase our exports and decrease our imports will have any effect on growth rates in our economy or on our unemployment situation. The answer is, of course, that such a programme will have a tremendously stimulating effect on both these areas. Increased exports and decreased imports mean more jobs for Canadians, larger incomes, and more spending in Canada.

What is needed, therefore, is a positive policy for growth directed primarily towards external trade. What is needed is a public awareness that increased trade is one of the chief methods by which we can get the Ontario and Canadian economies moving ahead rapidly once again. Here in Ontario if we are to obtain the 60,000 new jobs needed every year in the next decade to accommodate our rapidly growing labour force we will have to work harder at promoting a favourable trade balance.

We welcome the constructive programme of the Federal Government set out in the Speech from the Throne. Many of the policies mentioned there have been advocated for some time by the Ontario Government. But, we in Ontario cannot rest and say it is all up to Ottawa. It isn't. We in Ontario must play our part in economic development. We in Ontario must have a constructive programme—a programme and a policy of growth.

Gentlemen, it is my belief that the Ontario Government has such a programme. I do not want to review the whole programme here, but I do intend to point out those portions of the programme which we are pursuing actively at the moment to take advantage of the present dollar devaluation and the new tariffs. This is what we call our *Trade Crusade*. We have launched an information and education programme to urge the public to support our efforts to increase exports and reduce imports. The consumer will be asked to increase domestic consumption of Canadian goods by reducing consumption of comparable imports. Industry will be asked to get out and sell—to export—to use more Canadian-made parts in their production in place of imported components.

We are extending the services in the United States and abroad that the Ontario government offers to our manufacturers. We have strengthened our foreign offices in New York and Chicago and at Ontario House, London, England. We have opened a new trade office in Dusseldorf, Germany. A second trade office will be opened in Milan, Italy, later this year. These trade offices are manned by Canadians who know what Ontario has to offer and local commodity officers who know the local market. They operate as a team to promote Ontario goods and help Ontario salesmen.

We are establishing *Manufacturers' Cooperative Agencies* to foster the export of products from small and medium-sized Ontario companies—manufacturers who for various reasons are not in a position to support an export programme themselves. I don't think this particular project has ever been carried out before in any jurisdiction. A group of manufacturers in a related field, but not producers of the same product, will be represented by an agent commissioned to sell their products. Our trade offices and foreign offices will give these Cooperative Agencies every assistance, such as introductions to likely distributors and suggestions on possible market areas.

We are preparing a number of *Services Publications* to keep our manufacturers, municipalities and interested organizations informed of the varied services offered by the Ontario Government to keep our economy growing at an adequate rate. At least three of these will be printed in French, German and Italian as well as English, which means that we will reach the main populations of the European Common Market. Thus, for the first time, the facilities available at our foreign offices and at the department's Industrial Development Branch, the proper way to contact an Ontario firm for the purpose of negotiating a manufacturing arrangement, and other vital matters will be explained to the European businessman in his own language.

We are sending *Sales Opportunity Missions* to the United Kingdom, Europe and the United States. Two such "order book" missions are in the U.K. and Europe at the present time. The business people on these missions are a cross-section of Ontario industry and each work on a separate schedule. Upon arrival home the tour members will go on a circuit throughout the province to speak to Chambers of Commerce, service clubs, industrial development groups and others, telling of their experiences and offering pointers on how to sell abroad.

We have established a *Marketing Division* in the Department of Economics and Development to aid Ontario manufacturers in establishing sales contacts at home and abroad, to develop foreign agency or distributor contacts, to provide location services for sales offices or manufacturing branch plants outside of Canada, and to give assistance in the matter of licensing arrangements in a foreign country. This division is also responsible for constant analysis of world marketing conditions, of the relationships and prospects for Ontario manufactured goods and technical services in world markets. In this way do we hope to stimulate, encourage and promote steady increases in exports from our manufacturing industries.

In the field of imports, Ontario is attempting something brand new. We believe that Ontario manufacturers can manufacture many of the component parts and goods which are at present being imported into Ontario. This is particularly true today with a devalued dollar and the special tariff surcharges. We feel that what is needed is a long and careful look by individual companies into their purchasing policies and practices to see where they can buy goods in Ontario rather than in foreign countries. In this regard, we are holding a Manufacturing Opportunities Show and Conference in Toronto on November 5-6. At this show, companies which are now importing component parts or fully manufactured goods will be able to sit down and discuss business with Ontario manufacturers who are willing and able to produce these goods. Millions of dollars of imported items will be on exhibit.

Response from Ontario manufacturers regarding this first show has been extremely encouraging. Invitations to exhibit and attend the show were sent to about 6,000 of our manufacturers employing 10 or more persons, and so far about 1,500 businessmen have indicated they will attend. All present available space has been sold and it is expected that additional display space will have to be provided. Unsolicited letters praising the show have been coming in regularly from companies all over the province—both from those firms which are desirous of finding an Ontario manufacturer as a supplier and from those firms which are seeking to increase their production and reduce surplus plant capacity.

This *Manufacturing Opportunities Show* is the first of its kind in Canada and will set the pattern for other similar shows. Subsequent shows will be held in the official economic regions of the province. The regional shows will not only have displays of imported products which could be manufactured in Ontario, but in addition will have members of our *Sales Opportunity Missions* in attendance to tell their story and provide first-hand information about the European market. These shows will have a double-barrel effect in that they will give our manufacturers an insight into ways and means to extend their operations in both the domestic and foreign markets.

This, then, is our *Trade Crusade*. These are the measures we in the Ontario government are taking to help increase the growth rate of our economy. How successful we shall be will depend on the hundreds of thousands of little decisions that people from all walks of life make every day. Our *Trade Crusade* will succeed if the people of Ontario understand that by supporting it they are helping themselves to achieve new employment opportunities and a higher standard of living. By such positive policies do we hope to maintain our province in the forefront of growth and economic expansion, to provide the jobs which our people will require, to help ourselves in maintaining the prosperity of our province.

THANKS OF THE MEETING were expressed by Dr. Z. S. Phimister.

"FIFTEEN YEARS AT THE WORLD BANK"

An Address by

SIR WILLIAM ILIFF
Vice-President—World Bank

Thursday, October 11, 1962

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: I am delighted to introduce to the members and guests of The Empire Club a prominent and outstanding Britisher who is now the Vice-President of the World Bank, Sir William Iliff.

It is a particular privilege to have Sir William with us to-day because since he accepted our invitation it has been announced that he will retire from the Bank as of October 31st this year. In making that announcement, Mr. Eugene Black, President of the World Bank said:—

> "It is with great regret that I have to announce the retirement of my highly valued colleague, Sir William Iliff. His services to the Bank and to its member countries over a period of 14 years have been of a very high order, and all of us at the Bank—Executive, Directors, management and staff—will miss his wise counsel and his administrative skills. Whenever we were faced with a really difficult job, demanding tact, firmness of principle and depth of understanding, it was to Sir William that we turned. As an example of this, surely few men in public life can point to such an achievement as Sir William accomplished in the successful culmination of the Indus Basin negotiations.

> In the next few weeks we shall, I am sure, hear world-wide tributes to his dedicated work, but I wish to take this opportunity to place on record the deep sense of obligation which he is owed by the entire international community."

Canada, as one of the 66 member nations, is very much involved and interested in the work of the International Bank for Reconstruction and Development. In serving the Bank, Sir William has served Canada, and I would like to acknowledge these services and express our sincere appreciation for them.

Sir William was born in Northern Ireland in 1898. Before joining the Bank in February 1948, he served in the British Civil Service in a variety of positions in the United Kingdom and in the Middle and Far East. He also saw active service in both World Wars, serving in the Indian Army in India, Mesopotamia, Iran and South Russia in World War I and in France with the British Army, until the evacuation at Dunkirk in World War II.

He is going to tell you about the bank and what he has been doing in it and, therefore, I shall not try to recount these services. Suffice it to say that for valued and distinguished service, Her Majesty the Queen was pleased to confer a knighthood on him in January 1961.

I present to you Sir William Iliff, Vice-President of the International Bank for Reconstruction and Development, who will address you on the subject "Fifteen Years with the World Bank".

SIR WILLIAM ILIFF: This talk of mine is entitled "Fifteen Years with the World Bank". At the end of this month I shall have vacated my office as a Vice President of the Bank, and I shall therefore, I hope, be forgiven if I am mainly retrospective in my approach today.

Let me begin by saying that my first public speech in this hemisphere on the affairs of the Bank was in Vancouver, B.C., almost 15 years ago. It is for me a great privilege to have been asked to address this audience in Toronto today and so to that have been given the chance to make a valedictory address on Canadian soil and to such a distinguished group of Canadian citizens. I hope, too, that what I have to tell of what has happened in the Bank over these years (which cover in fact all but two years of the Bank's existence) may be of some interest to you. But I want first to say a little about the broader background against which the Bank has been growing up.

When one looks around the world as it is today, the changes since 1947 are momentous. Probably the most remarkable is this . . . in those 15 years the world's population has increased by almost one-third, from 2,300 million in 1947 to almost 3,000 million today. Such an increase, if it should continue, baffles the imagination. Canada has, of course, some share in responsibility for this phenomenon. She has played her full part and takes some pride as a prosperous and growing nation in having increased her population, partly, it is true, by immigration, from 12½ to 18 million over those 15 years—an increase of 5½ million. But in the same period, the teeming countries of Asia have probably added more than 100 times that increase to populations which were already seriously lacking in clothing, food and shelter.

I hasten to assure you, Mr. Chairman, that I have no intention of embarking on a dissertation on the population explosion. I do not think, however, that any consideration of world economic affairs can possibly overlook that one overwhelming fact, which threatens to frustrate all our best endeavours to raise world standards of living.

Other changes have been just as remarkable. I suppose that scientific progress in man's mastery over matter has been as great in the past 15 years as throughout the entire previous history of mankind. I wish there had been some corresponding manifestation of man's mastery of himself. The physical changes since 1948 strike one of course in odd ways. While I myself cannot get wildly enthusiastic about the possibility of visiting the moon, I do find it a source of constant wonder to be able to cross the Atlantic in sedate luxury, and in 5 hours; 15 years ago, the Atlantic air-crossing was still something of a protracted and uncomfortable adventure.

But it is when one considers the international political and economic scene that one realizes how fundamentally the world has been changing. Fifteen years ago, those nations of Western Europe which are now showing an unprecedented pace of economic growth were still bogged down in the aftermath of the Second World War. Germany was still in the depths, and, like Austria, under four-power military government. Another modern pace-setter among the nations, Japan, was also still under military rule, and in a state of acute political unrest and economic depression. Western Europe was staggering also under the blows of successive bad harvests which, on top of wartime destruction, made its prospects of recovery look bleak indeed. When I joined the World Bank at the beginning of 1948, the Marshall Plan was still in the stage of discussions among the Western European nations, and the fear still was that Communism would engulf all of continental Europe to the edge of the Atlantic Ocean. China, the most populous nation of the globe, was in convulsion, its regime still undecided. India and Pakistan were licking the great wounds of Partition which were the legacy of their move into independence only a few months before.

In other regions of the world, developments have been no less eventful. In the Middle East, the State of Israel did not exist. The principal Arab countries were still ruled by dynastic monarchs. In Asia and Africa, the British and French colonial empires were virtually as they had been for 100 years; now those colonies have become a new array of independent nations clamouring for a full place in the councils of the world.

This has brought fundamental changes in the international organization of nations. In 1948, the Western Bloc was firmly in control in the General Assembly of the United Nations, able to muster an effective majority by the combination of Western Europe and the Americas. How different is the picture today, since the emergence of the Afro-Asian Bloc, which comprises more than 50 of the 104 countries taking part in the 1962 debates of the Assembly, each with a vote equal to the vote of any of the so-called great powers. The world balance of power has altered, and probably will never again be swung only at the whim of the great powers.

In the realm of personalities, perhaps the most striking fact is not change, but rather "plus c'est la meme chose". True, many of the leaders of 15 years ago are gone, among them Mr. Mackenzie King, General Marshall and (if such a name can be uttered in the same breath) Marshal Stalin too. But how durable the others are—Churchill, Truman, Molotov, Trygve Lie, Eisenhower, Attlee and General Montgomery—they may all have left the centre of the stage, but are still with us. And many of the old leaders are still very much in the limelight—deGaulle, Adenauer, Khrushchev, Henri Spaak, Monnet, Macmillan, Chiang Kai Shek, Mao Tse Tung. One is tempted to ask: Are they all so durable because they are politicians, or are they politicians because they are so durable? They say in Latin America that the devil knows so much because he is so old, and not just because he is the devil. All in all, I do not envy the school children of tomorrow who will be expected to absorb the history of this extraordinary decade and a half.

In recent years, revolutionary change has been universal. In no field is this more true than in economic affairs. In the past 15 years the world economy as a whole has been marching forward at a pace which previously had been attained almost by only one country at a time. The patterns of world trade and payments, and of national incomes, have in recent years been moving and changing so rapidly that yesterday's debtor nation is today's creditor, and vice versa. I do not suppose anyone in this room would have believed that the world dollar situation could have reversed itself as it has done in that period of 15 years. Similarly, who, in 1948, when rigid exchange controls and inconvertibility of currencies prevailed almost around the world, would have believed that the international money market could possibly be as fluid and free as it is now in 1962. Only visionaries or wishful thinkers could have imagined that the people of Western Europe would move freely from country to country without even a passport, and no one surely could have foreseen France and Germany in a Common Market, much less the President of France addressing a great gathering in Germany in the German language, and praising the virtues of the German people.

So much for the broad brush. Let me now turn to the changes which the years have brought to the World Bank.

I hope you will forgive me if I talk of these changes largely in terms of my own experience, rather than pretend to an objective analysis. I arrived at the Bank in February 1948 to become Director of the Loan Department. At that time, the Bank had 48 members; today it has 83, and it seems certain that it will have at least 100 before another two years are out. At that time, the Bank had made four reconstruction loans in Western Europe totalling $500 million; today, our loan commitments since the beginning have amounted to almost 6¾ billion dollars and we have made 322 loans in 60 countries. Of the $500 million of our four reconstruction loans, half had been lent to France. The Netherlands had received almost $190 million and the balance had gone to Denmark and Luxembourg in smaller amounts.

Although we did not know it in February 1948, the reconstruction-lending phase of the Bank's operations had in fact come to an end. The Marshall Plan took over in Western Europe and allowed the Bank to devote itself from then on to its other function, assisting economic development in its less developed member countries. But, short as was the reconstruction phase of our lending, I think it is fair to say that the Bank's reconstruction loans were of vital importance at a critical time. They bridged a gap between the ending of emergency war-time assistance and the beginning of Marshall aid, and they enabled the four recipient countries to make essential imports on a large scale at a time when no other external finance was available to them.

So my arrival at the Bank coincided with the beginning of a period of transition. Negotiations between the Bank and the countries which received its reconstruction loans were greatly facilitated by the fact that the borrowers were all highly developed economies with a competent apparatus of administrative and technical skills. They were able to draw up accurate lists of the goods they needed, and to show how these goods would be used to reconstruct their shattered economies.

Lending for economic growth in the less developed countries of the world was entirely a different matter. It has become almost a cliche to observe that the greatest lack of most of the less developed countries is not money, but skill

—skill at every level from the Finance Minister down to the operator of a machine; they had no industrial tradition and possessed few of the organizational features needed for the successful direction of an economy or even for the adequate preparation of projects for financing. Inevitably, therefore, the volume of the Bank's lending was on a modest scale for the next few years, and it was not until about 1950 that it began to reach significant amounts.

A chart of Bank lending for development shows 1948 to 1950 averaging about $150 million a year of new loans; the Bank had been feeling its way. From 1950 to 1954 the average was closer to $300 million. For the next three years it became $400 million. Then there was a notable breakthrough with a sudden climb to a lending rate of almost $700 million a year, a rate which persisted from 1957 to 1961. Then, in our last fiscal year, the rate of lending rose to $882 million. It is too early to know whether this rate is a new plateau. For reasons which I shall mention later, I am inclined to think that this was an exceptional year and that the Bank cannot look forward to maintaining such a figure as an annual rate.

The Bank's first loans for development, and the first operations in which I had a part, were made in Chile in March 1948. We lent $13.5 million for hydroelectric development and $2.5 million for the purchase of agricultural machinery. Then in the following year we were able to extend our development lending, still in Latin America, with loans to Mexico and Brazil for power and to Colombia for agricultural machinery. In that year we also made our first loan to India for railroads, and began a long association with Finland by lending $12.5 million for her electric power stations and wood processing industries. I may say at this point that the association with all those countries, which was begun in those early years, has since continued and grown. Our loans to Chile, Mexico, Brazil and Colombia now aggregate the equivalent of more than a billion dollars. Our lending for Indian railroads alone is almost $400 million out of a total lent to India of over $800 million. Our lending to Finland is now over $150 million. These figures are evidence of the close link between the World Bank's lending and the economic growth of its member countries, and of the closeness of the relationship which has grown up between us in the past 15 years.

But we continued to be faced with problems arising from the need of our member countries for economic skills. In 1949 the Bank made a radical experiment with a mission to make a full-scale survey of the economic potential of a member country and a study of priorities which should be observed in the programming of its development. This first mission was to Colombia, and it laid the foundations for much of Colombia's subsequent development. The technique of the economic survey mission proved so valuable that it has become a regular and important part of the Bank's work. Up to now, we have sent similar missions, at the request of member governments, to more than a score of countries. The most recent have covered such varied economies as Thailand, Libya, Venezuela, Kenya and Spain. In every case, the recommendations of the mission have been of value and importance to development programming in the country concerned and have also greatly influenced the pattern of the Bank's own operations there.

By 1952, our technical assistance work had already become so important that, in that year, we set up a separate Department of Technical Assistance under a Director. It has continued to grow. This year we have recognized the increasing complexity of this side of our work by absorbing it in a new Development Services Department, which is responsible not only for our technical assistance activities, including the Economic Development Institute (the Bank's staff college in development programming) but also for the organization and oversight of a new instrumentality, the Development Advisory Service, which aims to offer full-time careers to the kind of experts who can be sent to member countries to advise governments on the direction of their development efforts.

I often think that the loans of the Bank, impressively large as they are, are only the small part of the iceberg which shows above the surface. Probably most of the efforts of the staff of the Bank are devoted to giving expert assistance of one kind or another to our member governments in their development problems.

In April 1951, I changed my job at the Bank to become

Assistant to the President, Mr. Eugene R. Black. I then found myself engaged in new fields. Perhaps the most important task which fell on Mr. Black's shoulders in his early years as President was to establish the Bank's credit as a borrower in the world's investment markets, and particularly in the United States. The Bank's financial structure is such that the subscriptions of its member countries to the capital stock of the Bank could only play a diminishing part as the Bank's lending grew. The Bank was certain to become increasingly dependent on funds raised by the sale of Bank bonds to private investors.

A first sale of $250 million of Bank bonds had been made in the United States market in July 1947, and this was followed by other issues in fairly rapid succession. Mr. Black's attention was taken up to a great extent by the need to persuade the American investor of the Bank's quality as a borrower, and by the need to promote legislation in many of the states of the United States to amend existing laws so as to enable certain important institutional investors to purchase Bank securities. Mr. Black's success in this endeavour has been remarkable. Moreover, through his efforts, the Bank has successfully penetrated many other markets in the past 15 years—notably in Canada and in Western Europe. The Bank's outstanding funded debt is now more than $2,500 million, denominated in half-a-dozen currencies, and over half of its bonds and notes are now held by investors outside the United States.

This account of the establishment of the Bank's credit in the world's capital markets is done less than justice by such a brief mention as this, but time forbids any more lengthy examination of this supremely important aspect of the Bank's affairs.

Another new field for me, and also for the Bank, was that of mediation in economic disputes between our member countries. The first such venture was not successful. We tried to bring about a sort of holding operation which would enable oil production to continue in Iran until a settlement could be reached of the quarrel between the Mossadegh Government and the Anglo-Iranian Oil Company. We were unable to make any impact on that situation, or on Dr. Mossadegh. But the next job that came along did culminate in success, although it took a long time—about eight years. I refer to the Indus waters dispute between India and Pakistan.

This dispute had its roots, of course, in the political settlement for the partition of the Indian sub-continent. The new international frontier cut clean across the rivers of the Indus system, all supplying extensive areas with irrigation, leaving India the upstream riparian and Pakistan downstream on every one of the rivers.

India made it clear that she did not intend that Pakistan should continue to look to all these six rivers for her irrigation needs, either present or future. Pakistan felt that her whole agricultural economy, present and future, was threatened. Border clashes took place when Pakistan suspected that India was withholding water, and all the elements of more violent explosion were present—even all-out war.

The Bank felt that the worsening, and even the continuation, of such a state of tension between two of its most important countries could only inhibit the orderly course of their economic progress and accordingly, in 1952, Mr. Black offered the good offices of the Bank to mediate the dispute. Both governments agreed and thus began the process of negotiation which culminated in the signing of the Indus Waters Treaty at Karachi in September, 1960.

A vital element in the settlement was the generous financial contribution of six friendly governments (of which the Canadian Government was one) towards the cost of constructing a system of works in Pakistan to enable Pakistan to look forward to a reasonable quantum of water uses under the new regime of the rivers that the Treaty had established.

The Bank has also been used as an impartial mediator in the settlement of other disputes, in some of which I found myself playing a part. One of the most difficult of these was between the United Arab Republic and the Suez Canal Company over the question of compensation for the nationalization of the Canal. This dispute was successfully settled in July 1958 after lengthy and complicated negotiations—carried on in three languages. Then there was the other vexatious issue arising out of the Suez incident—the financial claims and counter-claims on one another by the Government of the United Kingdom and the Government of the United Arab Republic. This also Mr. Black was able to assist in settling on lines accepted by both sides.

All of the activities I have spoken of were possible within the framework of the World Bank itself. We were, however, also faced with some problems in development financing which the Bank's constitution had not equipped it to solve. One of these was the assistance of private industrial enterprises in our member countries. The Bank has, of course, made several loans to private industrial corporations, notably the big steel companies in India and Japan. But such Bank loans require a government guarantee, which is not always obtainable from the government, or indeed always acceptable to the private corporation. Moreover, the Bank's participation in these enterprises can only be in the form of loan capital, and private industry often requires finance in the form of equity participation, sharing the risks of the enterprise. Accordingly, the Bank took a full part in promoting proposals for the formation of a new international financial institution which would be devoted entirely to the promotion of private enterprise. This institution, the International Finance Corporation, or IFC, came into being in 1956 as an affiliate of the Bank.

The President of the Bank is also the President of IFC, and our operations are closely coordinated. True, IFC's earlier years were handicapped by a provision in its Articles of Agreement which prevented it from direct equity participation in the enterprises it wished to assist. This limitation was, however, removed a year ago and IFC has since demonstrated that much greater possibilities now lie before it in the field of industrial financing. IFC will have much to do with industrial development banks in the developing countries of the world, and we have recognized this by making IFC the focal point for development bank financing, even in cases where a World Bank loan will be involved.

But there is another and much larger international financing problem, which is bound to be increasingly with us in the future; it has arisen because of the growing pace of world development. Since the war, the less developed countries have been borrowing abroad on private and public account as fast as they could to finance economic growth. As a result, many of them have now reached, or are reaching, the limit up to which they can prudently borrow on conventional repayment terms, and at conventional rates of interest. A larger and larger proportion of their export earnings now and over the years to come are mortgaged to meet annual debt service payments.

One obvious example is India, where the financing of successive Five-Year Plans has led to a sixfold increase in India's external debt since 1955—and these large investments have not yet had time to produce their full dividends in terms of production. But India is far from alone in this situation; many countries of Latin America, for example, are in the same position.

Then there is another category of countries which are unable to borrow on conventional terms all the development funds that they need. These are the many new nations now emerging from colonial status. In the past, their requirements for external capital have been satisfied directly by the metropolitan power, or by their borrowing with the backing of the credit of the metropolitan power. The achievement of independence has removed this credit umbrella and many of these new nations will be hard put to find sources of external finance to continue their development effort.

This situation has become increasingly urgent in the past few years and is bound to become even more acute. A recent study made by the Bank indicated that a group of 34 less developed countries accounting for 70% of the population of the under-developed free world had increased their external public debt by about 2½ times in the last five years, while their export earnings had risen by only 15%. It is clear that in such a situation there are narrow limits to further conventional borrowing.

On the other hand, if external assistance to those countries ceased, their economic development would come haltingly to a stop, with grim consequences for world trade and for world political tranquility. What is needed to protect existing investments in those countries and to allow them to maintain the momentum of their economic growth, is more external assistance on terms which will not impose any significant additional burden on their already difficult balance of payments situation.

The first recognition at an international level of these new circumstances was the creation, two years ago, of the International Development Association (IDA). IDA too was established as an affiliate of the Bank, and its member governments subscribed initial resources for its operations equivalent to about $1 billion, of which 75% is available in convertible form. IDA has now lent a total of about $335 million. By and large, IDA credits are applied to purposes similar to those for which the World Bank lends, although IDA is also lending for social investments such as municipal water supply and secondary education.

But the *terms* of IDA credits are very different from those of Bank loans. Bank loans at present carry an interest rate of 5½% and are usually repayable over 15 or 20 years. IDA credits may have a term of as long as 50 years, with no repayment over the first ten years. Moreover, IDA credits may be granted free of interest, with only a service charge of ¾ of 1% to help meet administrative costs. As a result, a country receiving an IDA credit obtains foreign exchange assistance for its development investment without having to face debt service payments of any burdensome consequence.

IDA shares the same Board of Directors, the same management and the same staff as the World Bank. Projects submitted for IDA financing are subjected to the same rigorous investigation as is applied to World Bank loans. Thus, although IDA credits may be soft in their terms, they are certainly not soft-headed, or even soft-hearted. Moreover, IDA's funds are not passed on to an agency executing a project on the same lenient terms as they are provided by IDA to governments. We ensure that governments, when re-lending the funds to the project that is being financed, do so on conventional terms so that the project is subjected to the financial disciplines which assure its economic operation.

I would repeat that the Bank and IDA have a common Board of Directors, and it is this Board that decides when a country should have an IDA credit rather than a Bank loan. But so great is the need for external assistance on IDA terms that half of IDA's initial convertible resources have already been lent and the remaining half is likely to be committed within the next nine months.

The financial future of IDA was the principal item of business before the Annual Meeting of the Board of Governors of the Bank and IDA in Washington a month ago. The Governors have instructed the Executive Directors of IDA to come up by the end of this year with proposals on the replenishment of IDA's resources. Naturally, what the Executive Directors will recommend will reflect the instructions they receive from the governments they represent. Accordingly, we may expect that the next few months will see lively debates in parliaments and congresses, particularly of the so-called industrialized or developed countries, on how much they are willing to contribute to IDA to enable its economic assistance activities to continue.

It seems to me that what is required is a firm decision by the "rich" countries that—year in, year out—in good years and in bad—they will be prepared to contribute a certain proportion of their national incomes—or, at least, a certain proportion of the growing increment of their national incomes—in financial assistance to those countries that are "poor"—and the "poor" countries contain the vast majority of humanity. If such a decision was taken, a much more rational use could be made of the world's available resources.I believe that there is no alternative to this decision if the free world is to achieve its economic and political objectives. Over the past 20 years, a programme of external aid has been a constant feature of Canadian policy. I am confident that when the issue of more funds for IDA comes before the Canadian Parliament, it will have the generous and sympathetic consideration that it certainly deserves.

I need not remind this audience of the success that has attended the efforts of ministers of finance, chancellors of the exchequer and secretaries of the treasury in bringing about a less inequitable distribution of national wealth among the inhabitants of their own countries. This has been the most significant politico-economic development of our generation. The gap between individual wealth and individual poverty in the so-called developed countries has constantly contracted.

I can recall the days of the beginning, almost sixty years ago, of such education as I have had, when I attended a small elementary school in the heart of the country in the north of Ireland. Of about forty children, the parents of only 8 or 10 of us could afford to fit us out with boots or shoes. The rest went barefoot, and often hungry. Returning to my native country-side today, I see no one under-nourished, no one ill-clothed.

But now look away from the domestic scene to the international panorama. Between the countries that are "rich" and the countries that are "poor", the gap—already very, very wide—is not only not contracting, but is actually widening. In my view, this growing disparity in international wealth, this need to find means (within the framework of our democratic political institutions) to narrow this international gap, is the most urgent and challenging problem facing our own generation and the new generations to come.

THANKS OF THE MEETING were expressed by Mr. J. R. W. Wilby.

"THE CHALLENGE OF TODAY'S AFFLUENT SOCIETY"

An Address by

RIGHT REV. DR. J. R. MUTCHMOR
Moderator of the United Church of Canada

Thursday, October 18, 1962

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: Our guest to-day is Right Rev. Dr. James R. Mutchmor, B.A., M.A., B.D., D.D.

The Batchelor of Arts was from the University of Toronto; the Master of Arts was in economics from Columbia University, New York; the Bachelor of Divinity from Union Theological Seminary, New York and Honorary Doctor of Divinity Degrees were conferred by United Theological College, Montreal and by Victoria College, Toronto.

During World War I, Dr. Mutchmor served Overseas for four years. He was wounded at the Vimy Ridge Battle while serving in the Canadian Artillery. Since 1920, when he was ordained in Winnipeg, he has toiled there and in Toronto as a Minister and as the secretary of the Board of Evangelism and Social Service of the United Church. He has been actively engaged also on many other important boards and committees as the representative of his Church.

Dr. Mutchmor has been described as "the conscience of the Church", because he has expressed definite views on every issue on which he has been interviewed. Some of these views have created much public discussion. They have been quoted in the press and on television frequently, and thus he has become a famous public figure and leader in Canada. With his election to the post of Moderator of the General Council of the United Church only last month, he will attain much greater prominence and his views will be entitled to greater weight and importance.

Dr. Mutchmor is married, has four children and eight grandchildren. He will now speak to us on the subject, "The Challenge of Today's Affluent Society".

DR. MUCHMOR: It is a privilege to address a meeting of The Empire Club of Canada, but as you may guess, I undertake this task on rather short notice. On the morrow of the World Series, it is in order to describe myself as a pinch-hitter. I have taken the liberty of choosing a rather general theme as a title for a big subject in which I will have room to move about. The content of this address will not be of much importance, but its headings may have some value.

At the very beginning, it should be noted that with our present austerity programme, the term "affluent society" may be challenged. We may, however, begin by admitting that Canadians have been living "too high off the hog". Caught as we were by a sudden drop in the Wall Street market last May, we find ourselves with a devalued dollar and a minority government. It is more important to note that the shock, occasioned by sharp drops in the stock market values of the best of the blue chips, indicates to all who are ready to see and learn that the Northern American way of life, including its Canadian sector, should be a more disciplined one.

From another angle, we may question the term "affluent society" by studying the wage rates of the gainfully employed men and women in Canada. It will be granted, that probably two-thirds of the wage rate scale is high or relatively high, but one-third is deplorably low. Moreover, when averages only are taken, the picture of the lower and lowest paid gainfully employed persons and their families does not come into a clear and sharp focus. It is a plain fact that tens of thousands of gainfully employed men and women in our country are working for small wages. It is also true that we have depressed areas, such as coal mining sections of Alberta, Vancouver Island and Nova Scotia. Moreover, automation or technological change has literally wiped out such trades as boiler-makers. The divisional railway repair yards, long established to service steam locomotives, have been hit hard.

With these and other qualifications which could be added, it is still possible to maintain that ours is an affluent society. To use a Macmillanian phrase, "we have never had it so good." Our affluence is most noticeable in our rapidly growing metropolitan areas and particularly in the urban sprawl and saints rest of the suburbs.

Recently I heard a story about a young woman, an honour graduate in psychology who joined the staff of a large and long established University. Two of her senior male colleagues tried to size her up. One said to the other, "This new addition to our staff is wearing last year's clothes, but she drives this year's car and my guess is she is living off next year's income." This is an example of the affluent society in which a very large proportion of our people are asking and receiving more for doing less.

I add a further comment from a press report of an address by Dr. Robert B. Marin, Director of the Executive Health Centre, Montclair, New Jersey. He said: "We are converting a whole age of peasants into connoisseurs of the pleasant but unessential things in life."

He was referring to kidney-shaped swimming pools and Finnish steam baths in backyards, mink stoles, fur trimmed seat covers, weekends in Paris, his and her autos, cabin cruisers, ropes of pearls, jangling bracelets of gold coins and all the other outward symbols of the affluent age.

"We are spreading the wealth and the social standard. The plasterer, the brick-layer and the factory worker are now in pursuit of social status. They haven't had these things in the past, but they want them now."

Our subject, "The Challenge of the Affluent Society", will be more readily understood and its presuppositions and significance more easily determined by noting a few other titles for today's way of life and then relating these to the one chosen for the theme of this address.

Already, reference has been made to automation or technological change. Increasingly, many areas of the world are becoming *technological* societies. The 650 million people of Mainland China are suffering many hardships and literally tens of thousands of them will die in the process, but there is no doubt that this quarter of the human race are shifting rapidly from a primitive to a technological society. We are ready to help them meet their food crisis by shipping large quantities of our wheat under agreements with long term credit clauses. It is my humble view that Canada should give the hungry Chinese a large *gift* of wheat. Surely God has given us a bountiful harvest and just as truly the Bible says, "If thine enemy hunger, feed him."

Coming closer to home, the shift to more technological society can be illustrated by the increasing use of automated processes in the offices of larger corporations; in the production of steel and in such seven-day-a-week plants as oil refineries. Indeed, the demand for seven-day-a-week operation is becoming more insistent, in the pulp and paper industry. Automation processes are being introduced in breweries and distilleries. This is the "wave" of today's technological society. It is a big factor in the current demand for a seven day week including an open or just-like-any-other-day Sunday.

Recently a new unit was added to Algoma Steel in the Soo at a cost of some millions of dollars. A maximum of six men will be required to operate this addition to this large steel plant. It is common knowledge that trains may be operated without crews, jet aeroplanes will fly without human pilots, etc. More could be said on this interesting subject, but sufficient changes have been noted to indicate that technological change is not a continuation of the old mass production methods of stamping out forms, but rather the beginning of an entirely new period of production in which machines direct machines. The day of the Robot has arrived.

About three years ago, a top leader of the President Kennedy brain trust, Professor W. W. Rostow, a brilliant Jewish economist, gave a series of lectures at Cambridge, which were described by the London Economist as the major contribution to economic thought since the end of the second war. These lectures have been published in a small paperback. The author makes it abundantly clear that man has moved steadily from a primitive to an agricultural, to an industrial society, and now his progress is taking him into a new way of life, the *massive society*.

Here again, it is not necessary to elaborate. Day-to-day events make it very plain that the two great massive societies, the U.S.S.R. and the U.S.A., begin to feel the competition of a third one, namely, the European Common Market, into which Britain will enter as a rather late convert within the next few months. Reference has been made to China. Here in passing I note that the greatest event every day is the birth of 200,000 babies and of this number 50,000 are born in China. China will become the fourth massive society.

Canadians have a great country in terms of land space, but we are a little land of only eighteen million population. In the day of the massive society, little people can be squeezed unless they align themselves with one of the existing massive societies and this willy-nilly we do as we become ever more closely related to the United States of America.

Some recent writers are pointing out that ours is also an *equity* society. To an increasing degree, we enjoy more and own less. Such enjoyment, particularly by a steady stream of stock market manipulators, land them in gaol. We are paying and paying and paying for houses, cars, clothes, world journeys already taken, and, "all the way down the line." The *equity society* is a credit card society. Our billfolds bulge with little printed cardboards, that indicate that without money, but not without price, we can get hotel rooms and meals and plane tickets and gas for our cars, and entertainment by the year, because we are members of an equity society. Sometimes I have said this is a *paper-chasing economy* in the development of which we are erecting a multitude of flat-chested office buildings and high-rise apartments. I claim that in not a few of these office buildings, much of the work is of the paper-chasing kind with little or no more economic value than could be provided by digging post-holes and filling them up again. Paper-chasing is a modern form of motion without productive movement. It does not make sense.

The *technological, massive* and *equity* aspects of our society are paralleled by another important development, namely, the *welfare society*. The welfare society is the answer of Western democracy to Communism. Both are forms of collectivism: The Moscow type being autocratic and our kind built from the ground-up by democratic procedures.

If there were time, it would be quite possible to trace the record of such outstanding economists as Marshall, more recent leaders such as Keynes, Pigou and Beveridge. Many here will recall the Beveridge report, the product of a group of British Economists under an able Scottish economist who now carries the title of Lord Beveridge. In the distribution of printed materials in my office, not a few ministers wrote in for copies of this report, but for some unexplained reason, they spelled the noble Lord's name, "*Beverage*."

It is hardly necessary to point out that there are heavy political overtones as well as economic factors in the rise and growth of what was formerly the *Welfare State* and now must be accepted as the *Welfare Society*. It must be granted that in North America, there continues a bitter struggle between those who are doing their utmost to streamline and improve our free enterprise system, and those who call for more planned economy. At this point, we should note that a leader, such as Governor Nelson Rockefeller, claims that North America's productive capacity should increase at a rate of not 2% or 3%, but 8% or 10% per year, to enable the people on this continent to compete on world markets and also to provide funds for the *burgeoning areas of our new welfare society*. Certainly there is need right now for more reasonable and understanding relations between big industry and big labour, in order to create the necessary increased wealth to support the welfare society of today and tomorrow. In the face of this need the strike weapon is in part outmoded.

This development of the welfare society has brought a new word into a sharp focus. This word is "Medicare". More than the people of Saskatchewan are going to become excited about it in the very near future. It is a current index word of the Welfare Society.

It was a Canadian, John Kenneth Galbraith, a native of Elgin County in Ontario, and for some years a leading economist in the U.S.A., who gave the Western world this new term, "The Affluent Society." Like Marshall and other economists before him, Galbraith, taking a sabbatical year, spent some time in Switzerland with special opportunity to continue his studies. In the clear air of this lovely mountainous country, he delved deeply into the meanings of today's way of life and came up with a book entitled, "The Affluent Society." It has become one of the most popular publications of our time and its author has been honoured by being made the American Ambassador to India.

I began this address with some general references to the affluent society and with particular reference to the qualifications or what one might call amendments to this general term. We turn now from these more narrow and critical comments concerning the affluent society to consider this development as a whole.

In spite of wisecracks and indeed in spite of much honest and fair criticism it is to be conceded that we now enjoy a much better way of life than our fathers, grandfathers and great-grandfathers did. Though we have more mental hospital beds than ordinary hospital beds, we can claim that our health record is the highest yet obtained by any society. Though the Indian poet Tagore, whose centenary we now celebrate, has said that modern man is reducing himself to a minimum to make way for his machines, we are happy that we have them, including the automobile. The "four wheels" have done more things to our way of living than any other single factor. In 1962, the car production and sales record will be one of the highest in North America. Certainly the truck and automobile have added both zest, comfort and widespread means of communication to our store of good things.

I will not go on to speak about the obvious improvements in our housekeeping, except to point out that surely the new refrigerator is much better than the old ice box, the quick heating and cooking electric or gas stove an improvement over the old wood or coal burner and our means of heating and lighting much superior to the days of the box stove and the coal oil lamp, not to mention candles.

It is equally obvious that our means of transportation are much improved. Last week returning from Vancouver on a T.C.A. jet, we were told by the Captain that with 150 mile tail wind, we hit a speed of 705 miles an hour. This is just another example of new things in the affluent society.

Without describing it at length, I conclude this part of my address in description of this affluent society by reference to the wonders of the space age and the possible terrors of the thermo-nuclear one. Though we do not talk much about it, the dreaded fear of a possible nuclear war persists because today and tomorrow man and his society stand in fear of a handful of dust. It is a plain fact that the thermonuclear danger or power will not pass away. It cannot be driven like a goat into the desert or exorcised like a mediaeval demon or made the object of a Briand-Kellog pact to outlaw war.

All the efforts of well-meaning organizations working for peace, will not rid us of the thermonuclear power. It remains both as a threat and a promise. It provides the deep undertones and rumblings that keep us shaken out of our complacency lest we be too much at ease in the affluent society.

As a Christian minister of the Word and the Sacraments, you may expect me to make some comments as a Churchman about the affluent society. I can attempt such an assignment in two ways: generally or specific. Probably by condensing my remarks from this point on, I can say something significant on both points.

In general, it may be said that the Christian Church's relationship to society or more specifically to the State, has not and does not now present a uniform pattern. In the first century or two in the Christian period, there was little division among those who bore witness to their risen Lord, but from the time that the Emperor Constantine officially recognized the Christian Church, in the early part of the fourth century, there have been variations in the pattern of Church and State relations.

For several centuries after Constantine, the Christian Church was divided into two parts, east and west, Orthodox and Roman. The Constantinian period, as it is generally known, was one in which the Roman Catholic Church enjoyed both power and privilege. This great Church, which today is holding its significant Council in Vatican City in Rome, has held through the centuries that the Church has authority in things spiritual and properly exercises a rather large measure of control in things secular. Obviously it is not necessary or wise in this kind of company for me to pursue this matter further.

From the time of the Reformation, the Lutheran Church has held that a rather great gulf separates Church and State. It was due to this pattern that Hitler was enabled to gain great power without much objection from the Lutheran Church in Germany and while this is over-simplifying the story, this philosophy of separation of Church and State, had some bearing upon the failure of the Church to protest effectively the slaughter of some six million Jews.

The Baptist Churches have held rather consistently to a definite separation of Church and State, but their leaders have written a fine record of prophetic utterances out of Christian teaching that have shaped often the affairs of State. We know quite well that the Non-Conformists from the landing of the Pilgrim Fathers until well after the War of Revolution had much to do with the U.S.A.'s constitutional separation of Church and State.

The Presbyterian Churches and more recently the Methodists, and I may say in Canada the United Church, have held the view that the Church must be the conscience of the State.

In Canada, these various viewpoints have all found expression. On the whole there has been a happy and creative relationship between Church and State. It is varied from the maximum influence of the Church in Quebec to the relatively lower levels of influence in our most secular province of British Columbia.

In today's affluent society, however, the picture of Church and State relations is confused. We have moved rapidly from a simple to a pluralistic way of life; from a primitive to a complex society. One obvious result of this change is evident in this city of Toronto where we have three daily papers. Not one of them appears able editorially to set forth any clean-cut standards of public behaviour. For them there is no white or black, only a variety of shades of grey. Under the current affluent society pressures, there is a danger that our Toronto papers will become publications of irresponsible amusement and not journals of considered and fairly reported news and opinion. All parts of today's society are being pressed to trade principles for expedients. At a time when there should be a great army of convinced Christians to stand up to convinced Communists, there are too many amiable nonentities pushed around by events until they die.

I take this opportunity to indicate briefly some of the areas in which the denomination in which I serve seeks to influence the policy of the State in these days of the affluent society. The United Church of Canada is happy that conditions of life in our country are more pleasant and enjoyable. We have many positive things to say in thankfulness about the progress of Canada and her provinces. We rejoice in the record of improved housing; in the story of social security; in such recent development as our country's hospitalization plan; in the fact that though there have been many difficulties, we have an Unemployment Insurance Fund; that family allowances are well established; and that there is increasing care and benefits for senior citizens, and so on down the line.

The United Church, and indeed all Christian Communions, are deeply concerned that Canada continues to enjoy a reasonably observed Sunday or Lord's Day. We believe we need this one day in seven, for rest, recreation and refreshment, and above all, for placing at the centre of our nation's life the primary element of worship, of spiritual fellowship, and of deeds of mercy—out of all of which come the quiet and strong ways of life that make a people good and great.

Our Church with other Communions desires more common honesty. Without a larger measure of this essential ingredient today's affluent society will rot. It is surely obvious that of our nation to which much is given, much is required. The advent of technological change, for example, does not warrant feather-bedding by either management or labour. There remains the need of giving a fair day's work for a fair day's pay. It is equally evident that the great complex of advertising must be inherently honest. Van Doren-isms will not do. The number of stock exchange scandals must be reduced.

Again our Church like other Communions believes that the weak should be protected from the strong. We realize many mothers with small children must work but Church and State ought not to allow the children to suffer. Let us tax ourselves more to provide decently for the many thousands of little ones who are parked indiscriminately in odds and ends of places in our great metropolitan areas.

We know the big corporation is efficient but it must not be allowed, willy nilly to drive the little man to the wall. The Big Discount House that sells gasoline as a loss leader must not be permitted to put a long established filling station operator out of business. Here is a point at which the Christian Church must proclaim the New Testament teaching that the Strong should help, not hurt, the Weak.

The United Church stands ready in support both of law enforcement and a more disciplined way of life. We deplore attacks on police who seek to do their duty. We are concerned to read such a press account as describes six young men raping a 14 year old girl. Likewise we deplore waste and debauchery. These all too evident and alarming aspects of today's affluent society must speedily be brought under control.

I said earlier that the Church's views about the affluent society could be stated in a general and also in a specific way. I have had some experience in both areas and conclude with a few remarks about being "specific."

You will probably know from recent press stories, radio and TV programmes, that I have had my share in the hurly-burly of Church and State, of the primitive and also the pluralistic society and in the less and the more affluent ways of life.

I would remark that it is only when an issue becomes a hot one, that Canadians pay attention to it. I believe there is a value in striking the iron when it is hot. To change the metaphor, I believe there is value in calling a spade a spade. I would argue that there is much to be said in favour of plain talk. Let us have more basic English; let us use shorter sentences; let us say plainly what we mean; let us get rid of gobbledegook.

I end with a story about the $64,000. question—a programme initiated some years ago by Revlon and brought to a sad end by one called Van Doren. At the beginning of the $64,000. question programme, I was asked by the press to make a comment. I said the programme was a "menace and it should be abolished." This remark received rather wide coverage on the Canadian Press and as a result I got several letters, including anonymous ones: also many 'phone calls. One of the 'phone calls was from an irate Scot—a continuing Presbyterian. He shouted at me in vivid Old Testament words, but not used in a scriptural setting that The United Church had no right to criticize "free deals." "Good heavens", he remarked, "at the time of the Church Union (1925), you took everything that we, the Presbyterians had. That surely was a 'free deal'."

Out of long experience, I have learned to wait on the receiving end of a 'phone call of this kind. This was my tactics in this instance until suddenly, I shouted at my critic, "at the time of Church Union, who got Knox College in Toronto, a College worth several hundreds of thousands of dollars." This question caught the Scot off guard. He paused, and then he said, "I am not wanting to be specific, I am making a general statement.

THANKS OF THE MEETING were expressed by Mr. Paul H. Mills.

"THE SECOND REVOLUTION IN RUSSIA"

An Address by

MARK GAYN, B.A., B.Sc.
Editorial Writer, Toronto Daily Star

Thursday, October 25, 1962

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: Speaking and reading Russian fluently, Mr. Gayn subscribes to many Soviet and other Communist publications and has a large library of Russian books of fiction, politics and economics. He has served as a correspondent in most of the Communist countries—in China, in Russia, in East and West Europe and in Africa. He has covered the Summit Conference in Paris in 1960, Civil War in Greece, the Japanese invasion of China, Khrushchev's tour of the United States and sessions of the United Nations.

In fact upon the announcement that Cuba had been quarantined he was forthwith assigned to the United Nations again. As you know he has kept us informed of events through radio and television this week. We appreciate most sincerely his return from New York, and the centre of world tension, to speak to us today.

Probably he might wander sufficiently from his subject to tell us whether the quarantine of Cuba is because it is suffering from Smallpox or Scarlet Fever!

Mr. Gayn is the author of four widely translated books on Russia, China and Japan and has contributed to leading publications in the United States, Great Britain and France. As a leading authority on the objectives of the Communist nations, he has been making an intense study of social changes in the Soviet Union. His subject is: "The Second Revolution in Russia":

MR. GAYN: As you know, my intended subject was the second revolution in Russia and at about 6 o'clock this morning I had to junk it. Instead of this, with your indulgence, I shall try and improvise on a subject that is much closer to us today. I would like to deal with the United Nations; with the crises of international affairs; with the showdown that may come between the Soviet Union and the United States.

To show you to what extent your President has gone to put me in this place, I worked through all the previous night, went to bed at 7.15 in the morning, left strict instructions at the Star not to wake me up and at ten minutes to eight, sure as anything, there was a telephone call from the Star saying that the publisher desires me to be here and it appears that your President was on the 'phone earlier in the day. Crises or no crises, I was to be delivered to this table.

The United Nations today is a desolate place. It is a place in which decisions are not being made and it feels this painfully and it resents it. It is also a place in which you see confusion and fear and despondency. There are two main reasons for this general feeling—for this sense of frustration. One is the temper of the United States. The delegates to the United Nations look out of the windows, across First Avenue, and they see this great city and a great continent before them and they cannot understand what is happening to the mood, to the attitude of the United States. Overnight it has become a country with violent reactions, with a warlike sentiment and this perhaps is—I am not saying this in disapproval; I am saying this as a fact—for many years the United States has felt painfully, the people of the United States have felt that the United States is falling behind in the race with the Soviet Union and there has been a sense of frustration, and, all of a sudden, with this one move, the blockade and the quarantine of Cuba, the American people feel that they have found purpose in a new leadership and you find things which one would not like to find in the United States.

I cite an example of that. Yesterday, the doorman at my hotel said: "Well, it is about time. I was a tank driver in the last war and I am 56 years old now and if I could get me a tank I would drive it right up to the Kremlin and I would fill Khrushchev's belly with lead." You talk to shopkeepers and taxi drivers, and so on, and all of them talk in these terms as if the hour has come and the United States can smite this enemy, without realizing that the smiting time is not here and not now and that you cannot smite the Soviet Union today because you might be smitten back.

Another thing that is perhaps disturbing about the United States is that in an emergency as great as this there are few questioning voices. Walter Lippman, the other day, provided one of those voices. He wanted to know why this crisis came with such startling suddenness to the American scene; why is it that the crisis that has been abuilding since the time of Eisenhower and all through the period of Kennedy, why there was no preparation of the American public and American public opinion for the kind of realities which have to be faced in the world today? You hear from Walter Lippman and you hear from a Harvard professor. Inevitably, whether in government or outside the government, they are always here. You hear from a professor from Harvard, named Hughes; you hear of various sad, little demonstrations by students and of the neutrals of the United Nations and people from Africa and Asia. Many of the western diplomats survey this scene and they are disturbed; they are disturbed by the extremes which they have before them. There is a feeling that this produces a tremendous pressure on them. They have to react to something that they do not understand and do not appreciate.

The second reason for the despondency is the realization that this, at last, is a direct clash between the two giants. Up to now, even in Korea, the Soviet Union, for instance, was not directly involved. You had confrontation between the two great powers during the Berlin blockade in 1948, but that was a minor incident. This is a major incident in which both nations are engaged in brinkmanship and this frightens the United Nations because they know they have lost the power of decision. These two nations will make their own decisions, they will make their own policies; they will not be affected by anything that happens at the United Nations; they will not be affected by the majority of the members of the United Nations. If I sound pessimistic and depressed, it is only because I am very tired and then I am always pessimistic. Normally, I am an optimist, even about conflicts like this.

It is true that both of these great powers may, and probably will, use the machinery of the United Nations; they will use the building for direct confrontation, but it is also true that when the time comes to make their decisions, the decisions will be made in Moscow and Washington. This produces, in the United Nations, a feeling again of frustration and helplessness and uneasiness. It is a misnomer to call the present conflict a Cuban affair. This is much more than a Cuban incident. It is, in fact, a major effort—an historic effort to change the balance of military power in the world and this is what the whole affair is about.

Back in 1952 and 1953, when the Russians and the Americans produced their Hydrogen weapons, you established some sort of a balance between the two and we have been living in relative peace because of this balance. In 1953, there was a revolt, an uprising in East Germany and the West kept out of it because it knew that there was a balance, there was a possibility of retaliation and it was too dangerous to intervene in East Germany.

In 1956, you had a revolt in Hungary and, again, it was a wonderful opportunity for the West to move in and to help the revolutionary government in Budapest; and, again, the West did not move in, for the same reason—the reason being that there was a balance of power; there was a dividing line between the two camps. It was an uneasy line but it was a line that you could not cross except at the risk of war and it was understood both in Moscow and in Washington.

What happens now is that suddenly Khrushchev moves his nuclear weapons to Cuba; he establishes a base, a major base, on the doorstep of the United States, on the doorstep of a new hemisphere, in which, up to now, they had no say and, suddenly, overnight, within perhaps six weeks, the whole balance is tipped. You have Khrushchev venturing into the American area; he has crossed the line and it is this crossing that compels the United States to take counter-action. If the United States did not act in this crisis, then it would face, surely, a succession of crises throughout the world, starting with Cuba and then going on to Berlin, Iran, Pakistan and God knows how many countries.

The world is full of danger points and once you allow the balance of power to be disturbed in one area, then the whole fragile structure would be changed. This is what the whole conflict is about. It is this tremendous and dangerous effort to change the balance of power. This clash cannot be isolated. We cannot regard it as a Cuban affair. We cannot pretend that if Khrushchev and Kennedy got together, across a table, they could settle this conflict simply by considering what is happening in Cuba. When they get together, they will have to consider the global picture; they would have to consider anew the relation of power that each one has. They would have to re-establish the status quo and, unless they re-establish it, there will be war and my feeling is that there will be no war. This is my first optimistic note to you today. There will be no war, because this balance will be re-established.

As I say, you cannot isolate this confiict. It will be felt in many areas. It will be felt, for instance, in relations between China and India. It will be felt in various crises which we shall certainly be meeting in the next few months. It will be felt in the Soviet Union itself and this gives me a graceful opportunity for coming to the appointed subject for today.

The most amazing, the most important thing that has been happening in the Soviet Union up to now has been not the conquest of the cosmonauts; it has not been the expansion of the Soviet Union. The most exciting, the most significant development in the Soviet Union has been what I call the second revolution in Soviet life, the tremendous liberalization in Soviet life which was true up to today. I do not know what will happen tomorrow or next week, as a result of the Cuban crisis. It is certain that the war alarm outside, in the world arena, will have its dreadful impact on the development of the second revolution in the Soviet Union; but, all I can say is that up to now, and for the last three or four years, you have had a transformation of life in the Soviet Union and this fact has not been generally appreciated. Its implications have not been appreciated and, yet, there was nothing that you could look at in the Soviet Union, you could not pick up an issue of a Soviet paper without running into a demonstration, into an illustration of its revolution.

I would like to cite some illustrations. If I gave you the date May 1st, 1960, and asked you what happened on that date, you will probably remember the U-2 incident. But, there was something else that happened on that day, which serves as a wonderful illustration of the developments in the Soviet Union. On that day, Pravda, which is an organ of the Communist Party, published a tremendously long poem, which occupied two or four pages. The poem dealt with the tremendous achievements that the Soviet Union had made in the last 43 years, and many triumphs with the progress of man, and so on. Then, it came to a passage, a long segment of this poem, which dealt, in verse, with the age of terror—the age of Stalin, and it dealt with the impact that this terror has had on private lives, on relations between man and man, on sufferings of millions in the Soviet Union. This was on May 1st. On May 4th, I found myself in Kiev and in Kiev, as any other city in the Soviet Union, I made an effort to contact officials of the Writers' Union. The writers in the Soviet Union are organized into a union of writers. I was taken to this comfortable mansion, to a comfortable room with comfortable furniture, and there were two very comfortable looking men waiting for me and we engaged in a long discussion of Soviet literature and best-sellers, and so on; but, eventually, I asked the President of the Union—the Ukrainian Union of Writers—what was the outstanding work of literature produced in the previous three or four years. He said, beyond any doubt, the outstanding work was this poem published four days earlier and he said, "Let me tell you a personal story about this. I arrived in my office on May 2nd. I picked up Pravda and read this poem—especially the section on Stalin—and I telephoned my wife and I started reading this section to her aloud and she broke into tears, and as I was reading it I also began to cry." Then, the second man—the Secretary of the Union—said: "This is strange because this is exactly what happened to me. I, too, read the poem to my wife on the 'phone and both of us wept." Now, they wept; they felt this tremendous reaction to it, not because it was a great work of art but because it re-awakened a tremendous hurt which you find in the soul of every Russian today, a feeling that there was an age of terror, a dark age, from which the people are now emerging and which they cannot forget. No matter with whom you talk in the Soviet Union, you can start with any subject and, within ten minutes, you always come to the subject of what happened during the age of Stalin.

To give another example, here is a story. Ilja Ehrenburg is a Soviet writer. His memoirs will appear on, I think, November 5th, in English and I commend it to all of you for a picture not only of the West but also of the Soviet Union, on life under Stalin, and he deals with his return to Moscow in 1940 from Spain and France. He went back to his office, in Izvestia, and he started looking up all the editors that he used to know and he would open a door and find a new face. So, eventually, he asked the janitor and she said: "All of them have been arrested; there have been many people changed since then. In fact, have you noticed that we do not even have name cards on the door any more, because it makes no sense."

Another story that he tells is of being put up in a tremendous apartment building in Moscow in which the tenants had lied to the management to disconnect the elevator at night and the reason being that the Secret Police always came on their errand around midnight and the whole building would stay awake waiting for this elevator to stop and for steps to come to some door. And, at the request of the tenants of this building—surely, the most unusual request that the management had ever had from tenants anywhere—the elevator was disconnected at night.

Stalin came to power in 1926 and the people that he faced were mostly illiterate peasants. If I remember my figures correctly, 46% of the people at the time were illiterate, and he proceeded to whip this tremendous mass of peasantry into the 20th century way and he did not realize that as you create an industrial state, a powerful and modern state, you also change the character of the people. You create a new society; you transform your society. He died in 1953 and just a few weeks before he died, he started a new trial, the famous "Doctors' Plot", and he was still treating the Russia of 1953 as though they were illiterate peasants, as though he could employ terror to create a modern state.

There are many critical things that you can say of Khrushchev. But, for one thing, Khrushchev will be given high marks by history, and this was his understanding of the change in the character of society. He understood that new methods of government were needed. He understood that he could not deal with the Russian people as Stalin dealt with them. He faced great dangers in this. One of these was psychological. He could not tell the people that Stalin was a villain without taking great risks with his own government. He was taking political chances in that he had to re-shape the whole machinery of government, the machinery of terror and suppression without, at the same time, destroying the governing machinery, and he proceeded to do this in 1956 with his famous speech of the denunciation against Stalin. There were a number of foreign communists in Moscow for this Congress, including Tim Buck, and one day they were all summoned to the Central Committee of the Party and they were told that nothing was going to happen at the Congress that day and will they, as a great favour to the Communist Party of the Soviet Union, go to the factories in Moscow and speak on any subject they choose and the subject, perhaps by coincidence, happened to be "Communism". They all went out and the doors were locked and then Khrushchev proceeded to give his memorable speech on the attack of a man who was, up to that point, almost God in the Soviet Union. I was told, by a participant in this Congress, that Khrushchev wept from time to time, as he spoke, and many in this great auditorium also cried because they were seeing the destruction of a man who became a demagogue.

He has been continuing this process and for a definite purpose. The purpose was to demonstrate to the Soviet people that the whole regime, the whole climate and machinery of government has changed and that a new climate has entered in Russia; but, along with this denunciation of Stalin, which was climaxed last Fall, you will remember, by removal of his mummy from the mausoleum in Red square—along with this, you have a tremendous number of changes in the life of the Soviet Union: the relaxation of controls, the relaxation of the various restraints, whether it was in the operations of the Secret Police which, incidentally, was greatly down-graded, or whether it was in writing. A man like Ehrenburg has been able, in the last two years, to come out every three or four months with articles demanding that the restraints on the writer be removed, that the Party stop dictating to the writing man what he is to write. There have been changes, for instance, in dealing with the scientists. There is a great nuclear scientist in the Soviet Union by the name of Peter Kapitsa. He worked in Great Britain and went to Russia on a visit and did not return, for one reason or another, and he was put in charge of the peaceful development of atomic power. In the last six months, Kapitsa has written four articles for leading popular magazines and now he has been expounding a doctrine for which, in the age of Stalin, he would have been executed without any delay at all. In these articles he has been arguing that society in Russia has changed and you cannot understand this society if you use only the yardstick provided by Karl Marx. He said that an understanding of the changed society in Russia is impossible so long as Party politicians intrude every step of the way. He said that development of science in the Soviet Union is impossible so long as the Party dictates to the scientist and he ended with the outrageous statement that so long as we rely on Karl Marx, and forget Sigmund Freud, we will not understand what is happening in this country.

This revolution in Russia has not been confined to scientists. I met, in Moscow, a man even whose profession I cannot identify. We had two very candid and very long discussions about what is happening in the Soviet Union and he was very much anti-Khrushchev. At the end of our second session, he said: "Let me ask you a question now." He said: "What is happening to Anna Magnani?" and I said; "Who is Anna Magnani?" He was startled by my ignorance and he said: "She is the Italian actress." Then he gave me the name of another Italian actor and, again, I didn't know him. He asked me about a French writer and I didn't know him either. I said: "How do you know all these obscure names?" He said: "There is a tremendous hunger in the Soviet Union for knowledge of what is happening in the world of ideas, the world apart, outside of this country and we discovered that the Italian Communist newspaper in Rome gives a full page of gossip on what is being done by various stars and starlets and writers and so on." So, he said: "A great deal of my friends and I learned Italian and every day now we head for the nearest government hotel and we buy this Communist paper and we rush home and we study what is happening in the West." There is a tremendous hunger which, in one way or another, is being satisfied.

I mentioned Ehrenburg to you before. Ehrenburg is now 70. He is no longer afraid. He speaks his mind. He has this comfortable apartment in Moscow and I am told that, through his old friendships in Paris, he has more Picassos in his bathroom today than all of the Canadian museums put together—authenticated or not authenticated. He has been a prime spokesman of this new revolution and he has done wonders. He has taken, under his wing—which is a very strong wing, some young writers. You may have seen the name Eugene Yevtushenko; he became famous in the West when he published a poem denouncing anti-Semitism in Russia and after this poem came out everybody thought this was the end of him. He was denounced. But then Ehrenburg took him under his wing and Yevtushenko, about two months ago, was allowed to go to England on a visit. On his return, he wrote two articles which, again, are illustrative of what is happening in the Soviet Union. In one article, he said he thinks that capitalism is not going to collapse tomorrow; it is likely to endure for a long time. Up to now, only Khrushchev has been able to voice this heresy. But here, this brash youngster was able to come back and write, in one of the leading literary newspapers, a statement of this sort.

The second statement that he made was even more outrageous. He said he went to a workers' club in London and he saw some coloured workers dancing the Twist and he said: "Comrades, we are absolutely wrong about this dance. This is a pure, proletarian, vigorous, dynamic, natural dance; therefore, comrades, I commend it to you and unless this Cuban affair, this world crisis, is settled, you may hear about the appointing of Twist palaces in Moscow."

How long will this revolution last? I am absolutely convinced that so long as you have a transformation of society in the Soviet Union, from a primitive to a very advanced society—a society in which, for instance, today you have 400,000 people registered as scientists in the census—I do not think there are that many scientists in all the West—so long as this transformation continues, so long as the proportion of literate people increases in the Soviet Union; so long as these literate people demand an opportunity for free expression of ideas, for an exchange of ideas with the West, for the right to work in their field, without constant obstruction, without constant dictation by the Party, this second revolution will continue and the only thing that might happen is that there will be ups and downs and crises like the one that we are living through today and a crisis like this might lead to the re-imposition of controls in the Soviet Union. If the Cuban crisis is succeeded by a crisis in Berlin, it is almost certain that there will be a certain measure of repression in the Soviet Union. It could not go back to Stalinism, but it will be retarded a bit. If Khrushchev dies tomorrow, he may be replaced by a man who may also try to re-impose the kind of controls which he has become accustomed to in the age of Stalin and, again, you will have a dip in the second revolution, but it will continue. And I think that perhaps—and this is sort of a vague feeling that I have—that one of the unseen factors in the crisis today is that there is a tremendous pressure in the Soviet Union for peace; there is the pressure of literate people who would like to find some sort of a compromise for living in peace with the West and this pressure is unseen. But, it is obvious that Khrushchev, who has given many demonstrations of not only being aware of it, but also reacting—I think this is one of the hopeful factors in the very dark picture.

THANKS OF THE MEETING were expressed by Mr. Graham Gore.

“SOME QUESTIONS ABOUT ECONOMIC PLANNING IN CANADA”

An Address by

ARTHUR J. R. SMITH, B.A., M.A., PH.D.
Director of Research
Private Planning Association of Canada

Thursday, November 1, 1962

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: I am pleased to present to you today as our guest speaker, Mr. Arthur J. R. Smith, B.A., M.A., Ph.D., who is Director of Research for the Private Planning Association of Canada.

This Association is a private, non-profit research company established in 1958 to undertake objective studies on issues of national importance. It sponsors the Canadian Trade Committee which was established in 1961 to study problems and policies of Canadian Trade. Its membership represents business, labour, agriculture and the professions. At present it is particularly interested in international trade, in the development of the European Economic Community—as these affect the economic growth of our country. The Private Planning Association also sponsors the Canadian American Committee established in 1957 to study problems arising from growing interdependence between Canada and the United States.

Mr. Smith is Director of Research—the Private Planning Association and in the Canadian American Committee and is the Secretary of the Canadian Trade Committee. He is a graduate of McMaster University in Mathematics and Political Economy and is a Master of Arts and Doctor of

Philosophy, from Harvard in Economics.

In 1949-50, he held a teaching fellowship at Harvard University—then was an economist with the Federal Reserve Bank of New York for 4 years. Since then he has been Canadian Economist with the National Industrial Conference Board and a lecturer in the Extension Department of McGill University. He will now address us on the subject "Some Questions About Economic Planning for Canada".

MR. SMITH: The subject of my remarks today is Economic Planning for Canada. This is already becoming a popular subject. Indeed, during the coming year it may well threaten to rival, if not supplant, Britain and the European Economic Community as the leading topic of economic discussion in Canada.

During the past year or two, interest in economic planning has obviously been growing on all sides—among Canadian businessmen, labour union leaders, economists, and the provincial governments. More recently, the Federal Government has made an announcement which is being interpreted as an initiative to develop national economic planning for Canada. The Speech from the Throne on September 27th contained a rather enigmatic paragraph which read as follows:

> As one of my government's measures to develop the Canadian economy, maintain a high level of employment and strengthen the balance of payments, you will be asked to approve legislation establishing a national economic development board. This board would be broadly representative and would review and report upon the state of the economy and upon economic policies. It would also have the duty of recommending to the government particular projects and measures which it considers would be in the interest of national development, including projects which may require direct governmental participation by way of financial aid or otherwise.

This statement unfortunately sheds little light on the possible objectives, scope or nature of any such board. It could presumably be aimed at being little more than a rather narrowly-confined hybrid between a public works planning board and a Canadian counterpart to the Council of Economic Advisers in the United States—both of which functions could perhaps be more effectively handled within an existing departmental organization in Ottawa, or by a special task force attached to the Privy Council Office. On the other hand, as was indicated in some remarks about this proposed Board by Mr. Nowlan in Parliament last week, it could well be given much more far-reaching objectives and functions. In particular, he appeared to suggest that this Board would be given sufficiently wide terms of reference to enable it to work towards very broad objectives—such as expanding employment, strengthening the balance of payments, improving "the pattern, the quality and the rate of our economic growth", and serving as a basis for effective coordination of varied public and private policies. And he spoke of three interrelated tasks for the proposed Board—first, to act as "a broad new bridge between government, on the one hand, and on the other, those who are thinking and planning the future of industry, labour, agriculture, and the other important economic groups in our community"; second, "to supplement, develop, and expand our government machinery for economic analysis"; and third, to recommend to the government, projects and measures along the lines mentioned in the Speech from the Throne. In short, what Mr. Nowlan appeared to be proposing was a kind of partnership between public enterprise and private enterprise in the interests of sturdier and more rapid economic development in Canada.

These remarks of Mr. Nowlan could therefore conceivably herald the establishment of a national economic planning agency with broad terms of reference, containing some of the characteristics and functions of economic planning organizations among other industrially advanced countries.

If the latter is in prospect, I suggest that it is high time that we encourage a far-reaching public discussion and debate on national economic planning for Canada—on its possible purposes, organizational form, methods of operation, and limitations. Greater understanding about these possibilities is essential for the launching of any venture into successful national economic planning—or we may find ourselves in the position of the young girl who, on her first visit to a Chinese restaurant, became fascinated by the Chinese characters on the menu. She asked to take a menu home with her, and then had the brilliant idea she would knit some of these characters into the back of a sweater which she had just begun. It wasn't until she was later walking down the street, proudly wearing her new sweater, that she discovered, under embarrassing circumstances, what her sweater said in Chinese, "This dish is cheap and mighty delicious."

I suggest that before we attempt to weave an economic planning agency into our national life, we need much clearer conceptions as to what kind of planning might be useful, what it should seek to do, how it might be done, and who would do it. My remarks today are intended to be a somewhat provocative scratching of the surface of these questions.

I should like to emphasize that in much of what I have to say, I am deeply indebted to a very able young economist —Mr. Richard J. Line— who, until his recent return to England. was the Economist for Chemcell Limited, and with whom I have been collaborating since last spring on an examination of some important questions relating to economic planning for Canada.

At the outset, I would like to stress that in the following discussion of economic planning for Canada, I am not talking about the kind of economic planning that is used among the centrally-directed and rigidy-controlled economies of the Soviet bloc, or among various less-developed countries seeking to achieve increased industrialization and rising living standards. Many of these countries do not have economic planning. They have planned economies, the essential feature of which is that a government takes the direction of the economy into its own hands and makes the achievement of planned targets the sole criterion of success. Instead, I am talking about the kind of national economic planning which has now been introduced very widely among the democratic and industrially advanced countries of the West, which has taken forms that are fully consistent with the preservation of all essential elements of the private enterprise system—and in particular, with the rights of business and labour to make their own decisions. In short, it is with reference to economic planning arrangements in Europe, and perhaps in Japan, that any form of economic planning is now being proposed or discussed in Canada.

Even then, it is perhaps surprising that economic planning is being discussed as widely as is now the case. For many Canadians, the term "economic planning" has automatically tended to arouse suspicions and antipathies, conjuring up various ideological issues, such as economic controls, government dictation to industry, the stifling of individual initiative, or even the erosion of democratic traditions. Yet many of the same Canadians who are hostile to "public planning", are involved in "private planning" within organizations with which they are associated, and frequently point with pride to the methods and results of such private planning— for example, with respect to planning for new investment and new market developments.

Moreover, many Canadians accept, and at times encourage, various government policies which inevitably have a major influence on the structure of the Canadian economy, on the "conditions of competition", and on the course of economic growth. Indeed, the emergence of proposals for economic planning in Canada have understandably gone hand-in-hand with spreading pressures for governmental action to adjust taxes, tariffs, subsidies, monetary conditions, the exchange rate, governmental regulations of various kinds, and so forth. This is not a new phenomenon in Canada. It goes well back in history to the building of the Canadian railroads, the introduction of the National Policy in 1879, and the whole framework of policies influencing the course of Canada's growth and development.

But two elements in the present picture have added point to proposals for some kind of more formalized system for appraising economic trends and problems as a basis for policy formulation in government and in business. The first is that with the development of an increasingly complex economic system, there has emerged a growing need for appropriate coordination of increasingly complex government policies. This coordination appears to be becoming more difficult to achieve under an apparent trend toward increasingly fragmented responsibilities for economic matters, in existing government departments. The second is that "togetherness" and cooperation are now being enjoined on business, labour, agriculture and government to an unprecedented extent in our increasingly complex system. Antipathies, or lack of understanding and confidence, between government and the private sectors of the economy, or among the private sectors, can only lead to attitudes and actions which will tend to multiply a nation's economic problems and make national objectives much more difficult to achieve.

Among other democratic, industrially advanced nations, economic planning has invariably been developed in response to a challenge. For example, France and the Netherlands introduced economic planning early in the postwar period to facilitate the reconstruction of their economies. Belgium has established its new "Programming Bureau" to help overcome structural problems in its economy—for example, to assist in appropriate redeployment of resources from the declining coal and textile industries to other industries with a more promising future. The Italian government has decided to move towards more economic planning because of the regional distortions arising from the very heavy concentration of Italian industry in the northern part of the country. Britain has recently moved to create the National Economic Development Council—or NEDDY, as it is popularly called—to develop and maintain a faster and steadier rate of economic growth.

Canada today also faces a great challenge. This is widely acknowledged. Mr. Donald Fleming put it very succinctly in his Budget Speech of June 19, 1961.

> Our technological development, the enterprise of our business community, and the skills and training of our people, great as they are, have not kept pace with the needs of a rapidly changing world.

A past president of the Canadian Chamber of Commerce has similarly suggested that, "insufficient foresight in planning to meet changing conditions" is an important reason for Canada's economic troubles today.

Dr. John Deutsch, the Vice-Principal of Queen's University, has also recently emphasized that:

> The basic problems now facing us arise out of adjustment to change. Not for a long time has the Canadian economy been up against such a baffling array of far-reaching changes both at home and abroad.

"The greater part of planning for growth consists of planning for change," according to Sir Robert Shone, the Director General of the National Economic Development Council in Britain. And it is essentially in this context that the potential value of economic planning for Canada must be assessed. In short, can it be useful in facilitating swifter and better adaptation of the Canadian economy, especially under conditions of rapidly changing technology, intensification of competition, and altered international trading arrangements?

The greatest impetus for economic planning in Canada now obviously comes from the simple fact that the Canadian economy has experienced an extended period of relatively slow gains in output over the past decade—slow, not merely in relation to the experience of virtually all other industrially advanced countries of the world, but slow also in relation to the economic resources which we have available to promote expanded production and increased living standards. The slowing of growth in total Canadian output since the early 1950's has been accompanied by a growing array of problems—a virtual halt to increases in living standards, relatively high levels of unemployment, underutilization of our productive capacity, relatively small gains in productivity, balance of payments strains, and a sharpening of some of the problems arising from natural competitive disabilities within our economy. These kinds of problems, I suggest, cannot be dealt with satisfactorily with short-term, *ad hoc* policies and actions, conditioned primarily by short-term considerations. We need to see all of these problems in a longer-term perspective, and consider carefully how our economy will be developing over a period of time. We obivously need to do a much better job than we have been doing to anticipate problems on our horizon, and considering what we can do to avert them. And we also need to do a much better job than we have been doing to anticipate new opportunities on our horizon, and considering what we can do to exploit them. Economic planning, it is claimed, can contribute to these ends.

In my discussion about the place of economic planning in the Canadian economy, I have inevitably gravitated to its possible purposes. As regards the purposes, perhaps I should emphasize, first, what economic planning should not attempt to do. It is unlikely, for example, to play a genuinely useful role if it is *intended primarily* as a means for the government to educate the public about economic trends and problems as it sees them, or on the other hand, if it should be conceived mainly as a vehicle for pressing the government into lines of action promoted by business or labour. Nor will it be worth much if it is intended to be merely a clearing house for ideas, or if it permits vested interests to sit in happy deadlock, confident that nothing will be changed. Nor can it play a useful role, as some returning Canadian visitors to Europe have almost been hinting—either as a means for promoting the interests of labour through an alignment of labour and government against certain business policies and practices, or as a means for promoting the interests of business through an alignment of business and government against certain labour policies and practices.

The primary purpose of economic planning as it is being practised in Europe and Japan today, is to provide a basis for sound policy decisions by government, business, labour and other groups. And in the last analysis, economic planning can play a useful role only if it provides objective appraisal and analysis of economic trends and problems that can serve as an effective basis for such policy decisions.

The Canadian government in establishing the terms of reference for the proposed National Economic Development Board might do well to think about the mandate which the former British Chancellor of the Exchequer, Mr. Selwyn Lloyd, gave to the National Economic Development Council in Britain. Its task, he asserted, "is to examine the economic performance of the nation with particular concern for plans for the future in both the private and public sectors of industry, to consider what are the obstacles to quicker growth, what can be done to improve efficiency, and whether the best use is being made of our resources."

The basic objectives of any economic planning arrangements for Canada should be broad. They should involve making the best possible use of all our national resources—its mineral and agricultural capabilities, its industrial plants, its service industries, and the training and skills of its people. But, at the same time, it should not confine itself merely to cold hard economics in an abstract way. As economic planning officials in other countries have stressed, especially in France and Japan, economic planning must ultimately be concerned with the relationship of people to economic development.

Let me now turn briefly to consider organizational arrangements for economic planning. Any review of the organizational arrangements in Western Europe and Japan reveals that considerable differences exist between them, but four guiding principles appear to be common to all.

First, the planning organization, though close to government, is not part of the government. For example, in France, the *Commissariat General du Plan* is responsible to the Minister of Finance and Economic Affairs, but is independent of the Minister's department. Moreover, before detailed economic planning is undertaken, the first outline of each French four-year plan must be approved by a Council whose members are broadly representative of major groups within the nation.

Similarly, in the Netherlands, the *Central Planning Bureau* functions as an advisory body attached to the Ministry of Economic Affairs, but operates with substantial independence. Its analysis and conclusions, in the form of an economic plan for the year ahead, are first discussed by a policy sub-committee of government, but are subsequently discussed by the *Economic and Social Council* on which industry, labour and the general public are represented.

In Japan, the initiative for drawing up a new long-range economic plan comes from the Prime Minister's Office. A small, permanent technical group, the *Economic Planning Agency*, directs and coordinates the economic studies. Its work, in turn, is guided by the *Economic Deliberation Council*, which sets up committees employing experts from business and the universities to assist the small planning group on detailed analysis.

In Britain the *National Economic Development Council* is completely independent of government departments—although its Chairman is the Chancellor of the Exchequer, and the Minister of Labour and the President of the Board of Trade are members.

It is perhaps this British type of arrangement which would best fit Canadian needs and conditions. Such an independent group would probably meet the suggestion of Mr. Leonard Hynes, the President of Canadian Industries Limited, who earlier this year said that:

> We need in the worst way a body to speak, not with the voice of government, or business, or any special group, but with the voice of voluminous knowledge, penetrating study and accumulated experience.

The second principle evident from foreign experience, and already implicit in what I have just said, is that national economic planning should be done by a small group of experts whose work is guided by some appropriate combination of representatives of government, business, labour, agriculture, consumers and the universities. Many of these interests are, for example, specifically represented on the *Commissariat General du Plan* in France, the *Economic Deliberation Council* in Japan, the *Economic and Social Council* in the Netherlands, and the *National Economic Development Council* in Britain.

A third guiding principle is that the planning organization must be kept free of political controversy. Some particular features of organizational arrangements can help to assure this vitally necessary condition. But even more essential is a broad public acceptance of economic planning as a constructive tool for helping to define and achieve desirable national objectives. It is worth noting that economic planning has not become the subject of any debilitating or seriously inhibiting political controversy in any of the industrially advanced countries which have introduced it.

The fourth principle, and this is perhaps the most important of all, is that the planning organization must have a top-calibre staff, and if possible, be directed by an outstanding public figure. For example, the success of the planning organizations in France and the Netherlands owe much to the early leadership of such dynamic and widely respected figures as M. Jean Monnet and Professor Jan Tinbergen. Similarly, Britain has chosen a well-known economist to direct its small group of planners, Sir Robert Shone, who had been in charge of forward planning for the Iron and Steel Industry in the 1950's.

A corollary is that the group of experts in the planning organization should be kept relatively small. No substantial bureaucracy has in fact been developed in any of the planning organizations of the industrially advanced countries. France started with thirty key officials in the immediate postwar period, and has only a few more today. Britain is starting NEDDY with perhaps half that number. Economic planning cannot be really effective and successful if it should become a large bureaucracy.

Now let me turn to some comments on methods of planning. The central tasks of national economic planning organizations in other countries have been to prepare economic projections on trends and cycles in business activity, to appraise the prospects and difficulties for achieving and maintaining a satisfactory rate of growth, and to examine in considerable detail the changing pattern of economic development within the economy. In this context, I might note the initial British decision to examine the possibilities for, and the obstacles in the way of, achieving a rate of growth of 4% a year in volume of total British output over the next five years.

It might also be appropriate for Canada to approach economic planning in a similar way—that is, over a time horizon of five years. But while the eventual task will presumably be to delineate a reasonably satisfactory rate of growth for the Canadian economy—perhaps on the order of 4% per year—the immediate task under present conditions would be to concentrate attention on a fuller and more efficient use of our presently underutilized capacity and manpower and other resources. As I have already emphasized, however, we can only move towards this immediate task successfully if we develop better and more coordinated economic intelligence about the economic road ahead.

I will not attempt to explain in detail the wide range of questions and problems likely to be involved in any such study of the Canadian economy. Let me only say that it will be a far more difficult task to appraise the prospects for the Canadian economy over a period of five years than it is to examine the short-term business outlook over a horizon of a year or eighteen months. Such intermediate-term prospects will also be much more difficult to analyse than long-term prospects, such as those developed by the Royal Commission on Canada's Economic Prospects. In the latter, business fluctuations and a variety of special short-term factors could be ignored, with attention merely focussed on basic trends.

Obviously, many basic questions would have to be examined in any such analysis. For example, what level of imports will be required to generate full employment and to sustain rapid growth, and can exports be expanded sufficiently to finance them? What level of investment will be required, and will adequate financial resources be available?

While the initial exercise will involve a very broad examination of the whole economy, and of its major sectors, accompanying analysis will also undoubtedly be necessary with respect to many of the major industries. This will require close cooperation with industry if the analysis is to be realistic. Such close cooperation with industry exists in other countries, perhaps most notably in France, Sweden and Japan. In addition, new statistical information and new techniques of economic analysis may be useful—such as the "input-output" model in France covering 28 sectors of the economy, and the very much more extensive model now being developed in Britain.

Finally, economic planning should give considerable attention to some of the broad factors which determine an economy's capacity for growth. Also, it should be concerned with the competitive conditions of industry—for example, appraising the spreading claim in Canada that there is a need to rationalize the structure of many Canadian industries. An economic planning organization should similarly assess the requirements of the economy for skilled and trained labour, as well as the prospective capacity of the educational system and training programmes to meet these needs. It will obviously need to study both the need for, and the consequences of, technological change. Regional problems can also be constructively examined by a national economic planning agency—as they are being examined, for example, in the *Central Planning Bureau* in the Netherlands. The essence of many of these regional problems will concern the need for reconciling the best possible use of our varied resources over an immense geography, with the need for assuring that reasonably rapid and sustained growth for the whole economy will not be compromised by the location of industry at points at which its basic competitiveness and efficiency will be handicapped.

In conclusion, there are a variety of important questions concerning whether we yet have a good basis in Canada for economic planning. Do we, for example, yet have the degree of sophistication in Canadian business, labour, and other circles which permits easy grasp and effective use of the kind of economic appraisals and analysis which a national economic planning organization would produce? Are we likely to find serious difficulties in the way of assembling personnel of the quality and technical competence required for successful economic planning? Do we perhaps even have serious deficiencies in available statistical information which will detract from our capacity to use some vitally important techniques in planning analysis? Will such an organization become involved in political controversy in a way which would inevitably compromise its ability to perform well? Do constitutional questions in the Canadian federal system—for example, concerning provincial jurisdiction in a number of vitally important areas—provide substantial handicaps for economic planning? And perhaps above all, will any form of economic planning for Canada be worth serious consideration until we are fully prepared to broaden our horizons about desirable national economic goals, to determine more clearly what these should be, and to work in broader cooperation towards their attainment. I doubt very much, for example, that economic planning could have been very useful under the conditions we had in Canada in the late fifties, and into 1961, with a general atmosphere of overriding and excessive concern about inflation, and with rather inflexible approaches to government policy formulation to deal with developing problems.

In many quarters—perhaps not least among economists—there have existed some important elements of skepticism about the possible value of economic planning. But despite this skepticism, there appears to be a widening circle of people who believe that national economic planning has made a substantial contribution to the maintenance of full employment and high economic growth rates in various countries in recent years. Thus, it may no longer be a question as to whether Canada will have some form of economic planning or not, but when it may emerge, and in what form. My remarks today have been intended to stimulate your thinking about these matters, with a view to encouraging increased attention to the question of what the new National Economic Development Board could and should do.

THANKS OF THE MEETING were expressed by Mr. D. C. G. Menzel.

"AFTER THE CRISES—
THE CLEAN-UP"

An Address by

MICHAEL BARKWAY
Editor and Publisher, The Financial Times

Thursday, November 8, 1962

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: May I introduce to you to-day Mr. Michael Barkway, Editor and Publisher of the Financial Times.

I believe most of you know Michael Barkway quite well. For some years now you have been reading interesting articles by him in newspapers and magazines and you have been listening to his comments on television. News reporters and commentators are much like ministers in church in that it is difficult to reply or ask questions regarding their views. But we still like to hear what they have to say.

Mr. Barkway was born in Yorkshire, England, and is the son of an Anglican Minister. While at Cambridge University, he was president of the debating union. After graduation, he joined the news department of the British Broadcasting Corporation. From this he became B.B.C.'s first U.S. correspondent and later, he joined the Psychological Warfare Division at Supreme Headquarters of the Allied Forces. After the war, he asked for a B.B.C. assignment to Canada. He spent four years in Toronto, thirteen years in Ottawa for the Saturday Night, the Financial Post and then for The Toronto Star. Last fall he became an economic reporter for the Southam News Services which supplies articles for eight newspapers across Canada owned by Southam-Maclean Publications Limited.

An article in the Canadian Edition of Time Magazine on September 7th, last, when he assumed his latest assignment says he has a "hard nose for news and an ability to convey *hard* facts lucidly".

He will now address us on the subject "After the Crises—The Clean-Up".

MR. BARKWAY: I am most grateful for the invitation to come back to you at this Club, both because of subject matter, since I hold that we can never have too much discussion on the plight in which we find ourselves and also because of the occasion. I am grateful to have been asked on the occasion, as it were, of the coming publisher of the Financial Times. I have addressed this Club before, if I remember well, both as a resident of Toronto and a resident of Ottawa and now I can speak as a resident of Montreal and I am sure you won't hold it against me.

Becoming an editor or, perhaps even worse, a publisher, is a fate that overhangs newspapermen. I was tempted to say "overhangs good newspapermen," but perhaps it overhangs some of the bad too. Having avoided it quite successfully for quite a long time, the best excuse that I can make for now having succumbed, the traditional excuse of the unmarried mother: "It's only a very small baby." And, like the unmarried mother, I wouldn't have taken on any other kind. In a sense, I suppose there is always something arrogant about parenthood. When you start to raise a family, you are in fact making a declaration to the world as you consider yourself capable of bringing up an infant who will be a credit to society. So, I hope I am being no more arrogant than all you fathers in believing that we can raise Financial Times to perform a useful function in the Canadian state—in less than 20 years.

Now, Mr. President, the task you have set puts me in something of a quandary. I am to talk about Canada's economic crisis—its causes and cures—and yet I am gently reminded that political comment would be out of place, from this platform. I find myself in the unfamiliar role of Agag, who walked delicately. That great pillar of Canadian literature which you quoted, Mr. President, in your introduction, in the same article from which you quoted, described me as having "glided gently" around Ottawa for some years but, gliding has never been my favourite mode of progression. I shall, however, attempt for the next 15 minutes or so to glide delicately through shoals of political controversy.

Perhaps the best way to start this is by saying that a real "clean-up" of Canadian affairs—after the years of turpitude and mismanagement which culminated in the June crisis—requires both a longer view and a deeper diagnosis than we are getting from either politicians or economists. If you look behind the proximate causes, over which I must glide quickly—it is obvious that our exchange crisis has been predictable ever since 1955, at least. It was indeed predicted by a few hardy prophets with increasing vehemence from then on. You will find it tragic in the deepest sense, and also highly salutary, to go back now and re-read the speeches which were being made in the boom years of the mid-fifties by most business leaders and economists, and most politicians, lead, of course, by Mr. C. D. Howe.

In the gay abandon of the boom, when the huge influx of foreign capital was persuading most Canadians that we were all going to get rich without effort, when we were selling our resources into foreign ownership at a greater rate than any other country has ever done before, the spokesmen of the Establishment, supported by the motley ranks of academic economists, repeatedly assured us that the foreign capital would easily pay for itself and leave us with a big profit. Our huge deficit in international payments was nothing to worry about, they said—it would correct itself. Indeed, when the rosy glow of their optimism grew red hot, they even promised us that Canada would soon be able to buy back the priceless natural resources which were being sold into foreign control. In those days it was highly unpopular to suggest that they were talking nonsense. One felt like the small boy who dared to announce that the Emperor had no clothes on.

That's why I say we need a longer view. If we concentrate on only a few months' span the theoretical economists—bless their cotton-pickin' hearts—will soon persuade us that all we need is yet more foreign capital. Like gospel evangelists, they will tell us that we need only to make a more complete surrender to the eternal gospel of Adam Smith. We also need a deeper view, or we shall remain bogged in the morass of cheap politics, which accounts for our present plight quite as much as bad economics—perhaps even more. The awful difficulty in dealing with the economists' and financiers' simple-hearted faith in unlimited doses of foreign capital at the present time is that in the very short run they are right and more right today than at any time in the last ten years.

Having landed ourselves in a situation where we chronically spend at least $1 billion a year more than we earn in foreign countries, we can only cover it by persuading American and European investors to put more money into Canada. It is yet perfectly true that the immediate causes of our weakness was the reduced inflow of foreign capital, within the last 12 months. It is equally true that we cannot survive without reviving the inflow. But this does not prove that we were right to become so dependent on foreign capital; nor that we can continue such a scale of dependency without provoking an even worse crisis in an even shorter time.

If you won't think it unduly conceited of me, I would like to give you one quote, with respectful acknowledgments to the author, from something I wrote five years ago. In August 1957, I wrote: "If you express anxiety about some of the consequences of the growing flood of American investment, Canadian economists are apt to look at you in an old-fashioned way—like a medieval bishop looking at a heretic.

"Canada, they tell you, is the envy of nearly every country in the world, because nearly everybody is short of capital, and most countries can't get enough. Of course, they are right. Yet, if a man has drunk so much whiskey that he cannot stand on his feet, it's no help to remind him that other people would have liked just one drink. Before we finish the bottle,"—said this distinguished author in 1957—"Canadians would be wise to take a look at the cost, besides the stimulus."

Let me remind you of just one part of the cost. By far the biggest item in our balance of payments deficit is the service of foreign investments. Last year we paid $771 million in interest and dividends to foreigners—over half a billion in dividends and over a quarter of a billion in interest. Ten years ago, the total was less than half a billion. Five years ago, when it was already worrying some of us heretics, it was only $523 million. It is still rising, and within a few years it will be more than a billon dollars a year, apart from the added costs of the new investment we are now able to attract.

I have been chided again and again over the last seven years for insisting that it is a mad kind of rake's progress to keep on selling your patrimony and incurring new debts, merely to pay the dividends on your alienated resources and the interest on your previous debts. If the exchange crisis has done nothing else, it has surely shown that foreign investment does not automatically pay for itself. It has confronted us with the simple fact that ten years' over-dependence on foreign investment has piled up an annual obligation for interest and dividends which we have no possible means of meeting out of current earnings. To put it very simply, our monthly instalment payments are quite beyond our current earning capacity as a nation. This is what makes it so desperately difficult to do a thorough clean-up after the crisis.

By devaluation and import surcharges, by a more imaginative trade policy (such as Mr. Hees seems to be developing), by imposing restrictions (if necessary) on our luxury spending abroad, it is conceivable, it is possible—I hope it will happen—that a determined government might correct the tourist balance and curb our easy habit of hiring foreign consultants and buying foreign services. We might even balance our merchandise trade within a few years.

But after the binge of the last decade, that isn't enough. We've also got to earn enough to pay these dividends and interest. For a few years, at best, the only way to meet these obligations will be to "go back to the bottle"—to borrow some more, or to sell some more of our national resources. It isn't enough to stop the creditors from closing in. We must also persuade them to put in fresh capital to protect their previous investments.

Obviously, there is only one way in which this can be done. The creditors must be persuaded that the rake has reformed. To deny that necessity—as some of the academic economists, some of the profit-seeking financiers and some of the popularity-seeking politicians seem to be doing—is to ruin Canada's chance of cleaning up the mess.

I know that a starving man cannot be too choosy about the source of a meal. But a starving man is subject to several forms of illusion. In the frozen north, in wintertime, when the daylight is brief and the mercury is never above zero, the danger is a deep and peculiar lethargy which I have experienced myself. In the equally hard world of the cities, you will find that the bum who asks you for the price of a cup of coffee believes himself to be a better man than you are, if only the world had treated him equally fairly. I think Canada suffers from a combination of lethargy and "folie de grandeur".

Today at least, whatever is the case in the past, I think there are signs that the Government is aware both of the short-term necessity and of the desperate need not to let the short-term necessity land us in even worse trouble. But the wise men of the Government cannot resolve the dilemma unless the public has a far better comprehenison of the problem.

I do not myself see how we can get out of our present mess, without a terrible crash that would reproduce the conditions of the Thirties, until our political leaders can be brought to face our underlying condition more honestly. So long as the ruling party feels bound to insist that everything in the garden is lovely, while the opposition parties automatically cry blue ruin, the public is bound to be confused and suspicious. We are where we are today mainly because, for the past ten years, our elected leaders have found Canadians to be so happy in their illusions, and so flabby in their resolves, that no government dared to tackle the basic distortions in the economy. We can all blame the "damned politicians". But whose fault is that?

Before you turn your wrath on the politicians, I suggest you should consider why so many Canadians, who are apparently thoughtful and educated (as well as prosperous) acquiesce so readily in the debasement of our political life. Why do so many of us say admiringly: "Sure, it was dishonest as hell, but it was smart politics."? I wonder, sometimes, when we preach the great superiority of Western democracy over Communism to the new nations of Africa and Asia, do we expect them to copy the shoddy kind of smart politics that we pretend to admire? Will we preach free enterprise to the new nations as a system which requires the successful man never to risk trouble by expressing an opinion which might possibly offend somebody?

You asked me, sir, to talk about the economics crisis, but I can only conclude that the Canadian crisis is more than economic or financial. It is basically moral, and there will be no thorough housecleaning, however smart our financial direction, so long as we reserve all our moral indignation for the Communists, who are a long way away and about whom we know shamefully little, while we cynically blame all our troubles on the "damned politicians", as though it was none of our business. We could use quite a lot of moral indignation much nearer home, with much greater profit.

THANKS OF THE MEETING were expressed by Mr. Alexander Stark, Q.C.

"FACING FACTS IN LABOUR RELATIONS"

An Address by

H. CARL GOLDENBERG, O.B.E., Q.C.

Thursday, November 15, 1962

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: Mr. Goldenberg addressed our Club on March 15th, 1934, at the age of 26½ years, on the subject "Economic Recovery in Great Britain and the United States". That was about 16 years after World War I when we were still involved in a period of depression. He outlined the national efforts to recover from that depression, such as by increasing the purchasing power of the people, and by increasing consumption. At that time he was lecturing in Economics at McGill University. Since then he served during the last War as Director-General of Economics in the Department of Munitions and Supply and he has become famous throughout Canada as a mediator and arbitrator in numerous labour disputes. He has also gained renown in municipal matters. From 1944-1948, he lectured at McGill on Municipal Government. He has served as Royal Commissioner on the finances of the City of Winnipeg and on Provincial-Municipal relations in British Columbia. At present he is a Royal Commissioner on Municipal Government in Saint John, New Brunswick, and is also conducting an enquiry into the real estate tax of the City of Montreal. He is also a member of the Economic Advisory Council to the Government of Quebec.

As a Federal Mediator, he effected settlements in the Montreal Tramways Company Strike (1943), the Great

Lakes Shipping Strike (1956), the Canadian National Newfoundland Shipping dispute (1957) and as the Chairman of a Royal Commission, settled the 18 week strike in the Vancouver construction industry (1958).

Our Club owes him a particular debt of gratitude for settling the year-long strike of the employees of this Hotel in April of this year. Mr. Goldenberg also acted as arbitrator in the dispute between the Ontario Hydro and its employees and rendered an award in July of this year.

I could say more about the services he has rendered to Ontario and to most of the Provinces, but I believe it has been clearly established that our guest is one of the most experienced and most successful authorities in Canada in labour-management matters. He is to address us for the second time, about 17 years after World War II, on the subject: "Facing Facts in Labour Relations".

MR. GOLDENBERG: Almost 30 years have passed since I last spoke to The Empire Club. It was in March, 1934, and, if I recall correctly, the Chairman then referred to me as a young man. I note that you, Mr. Chairman, have not done so this time. It is apparently the policy of the Club to face facts. This is as it should be, and I propose to do the same in my remarks to you.

I have entitled my talk "Facing Facts in Labour Relations" because I have found that a refusal to face facts by one side or the other or by both sides is a major cause of misunderstanding between labour and management. The public, in turn, not knowing the facts, often tends to reach unfair and unwarranted conclusions on industrial disputes. People are inclined to judge a dispute in terms of "right" and "wrong": the fact is that generally neither side is wholly right or wholly wrong.

The public may also be mistaken in its appraisal of the state of labour relations in general. We know that human beings in their normal every-day behaviour do not constitute news. The fact that 99 per cent of employed workers in an area may be at their work every day is not reported in the press. But when a group, however small, goes on strike—that is news! And it continues to be news until the strike is settled. I do not blame the press: its business is to publish news. But too often the publicity and the accompanying discussion have the effect of giving an exaggerated impression of industrial conflict to the man on the street. He forgets that in terms of the numbers at work, those on strike at any one time constitute a very small group. And he comes to the conclusion that the unions are always calling strikes.

The fact is, of course, that strikes are not the general rule. That is what makes them news when they do occur. The general rule is industrial peace. The vast majority of collective agreements are negotiated and re-negotiated without strikes and without publicity. It would contribute to better understanding if this fact were more widely appreciated.

There is a tendency when a strike occurs for people to say "there ought to be a law". Well, there are laws and, as a lawyer, I, of course, believe there should be laws. They are necessary to regulate the exercise of power and to curb its abuse. But, we have to accept the fact that there are problems in human relations which cannot be solved by law alone. This applies to relations between employers and employees as much as to relations within the family. The Civil Code of my Province imposes upon wives the obligation to obey their husbands. I assure you that, in practice, if there is any such obedience, it flows from other considerations.

Similarly, laws, however stringent, will not by themselves assure industrial peace. We must face the fact that they are human beings on both sides of the bargaining table, that across the table each side faces human interests, human aspirations and human fears. Peaceful relations between the parties will therefore depend not on laws but on the degree to which they are willing and able to understand each other and to make the compromises imposed by the facts which confront them. Compromise is not a sign of weakness. Edmund Burke, the great conservative thinker, wrote almost 200 years ago that: "All government—indeed, every human benefit and enjoyment, every virtue and every prudent act—is founded on compromise and barter."

This is particularly true in a democracy, and collective bargaining between employers and trade unions representing their employees is the application of democratic practice to industrial relations. I do not think I have to argue that trade unions and collective bargaining are an essential feature of modern industrial society. In the absence of collective bargaining there would be no bargaining at all under a system where the parties are as unequal in power as the individual worker and the corporation which employs him. In the words of Mr. Justice Ivan C. Rand, formerly of the Supreme Court of Canada, "the history of the past century has demonstrated [that] the power of organized labour, the necessary co-partner of capital, must be available to redress the balance of what is called social justice."

I have said that collective bargaining is part of the democratic process. In democracies like Great Britain and Sweden it has long been accepted by both parties as the normal method for negotiating terms of employment. In Canada and the United States, however, where it has not been as universally accepted, it was found necessary to enact laws to make collective bargaining mandatory under prescribed conditions. We have thus written into the law the social desirability of labour organization and collective bargaining. We have labour relations laws and labour relations boards to administer them. They date from the Wagner Act of 1935 in the United States and are barely twenty years old in Canada.

Labour laws must, of course, protect the rights of both parties to industry and also the public interest. To achieve this they necessarily prescribe certain procedures and allow certain delays for their application. The law must allow some delays, but experience shows that where the delays are such as to permit one party to take advantage of them merely to frustrate the other, the results are not conducive to good labour relations. And businessmen know that poor labour relations can result in low efficiency and high labour costs.

The longer the settlement of a labour dispute is delayed, the more inflexible and unreasonable the parties tend to become in the positions they have taken. This is human nature—and I have had to contend with it. The parties for the time being seem to forget that a settlement has to be reached at some stage. They forget the truth of what Mackenzie King, who was a student of labour-management relations, pointed out, when he said that: "With Labour and

Capital it is very much as with husband and wife: despite differences, they must continue to live together, or cease the relationship altogether." This is no less true because it was written by a bachelor.

I suggest that, since our labour relations laws are enacted to deal with the facts of industrial life, they should be reviewed periodically in the light of experience and of changing conditions. If it is found that they permit delays which serve to retard agreement unduly, such delays should be reduced. Undue delays intended to defer legal strike action are, in part, responsible for so-called "wildcat" strikes. Again, if it is found that procedures which are appropriate to some branches of industry are not appropriate to others, they should be made applicable only where they are appropriate. Procedures which meet the requirements of industries providing year-round employment do not necessarily meet the requirements of industries offering only irregular and seasonal employment. If new procedures and practices appear necessary, they should be introduced.

It is not enough, however, for the law alone to take cognizance of the facts of industrial life. It is more important that these facts be faced by the parties themselves. They have to live with them. And if to live with them requires compromise and changes in traditional bargaining procedures, both trade unions and employers must be prepared to make them.

On this point, in my report as a Royal Commissioner on labour relations in the Ontario construction industry, I said some months ago that: "Tradition dies hard, but where adherence to traditional procedures may multiply and aggravate industrial disputes, the onus is on the parties to adapt their procedures to the facts imposed by the nature of the industry. . . . Insofar as changes in established bargaining procedures are concerned, I believe that free collective bargaining will be best preserved by negotiation and agreement between the parties, provided that each party is prepared to face the problems and to make necessary adjustments. Failing this, public opinion may, wisely or unwisely, lead to the imposition of restrictive controls."

In the field of labour relations, the public image of the parties is a factor of which both labour and management must take account. This image is not improved by disputes arising from a persistent refusal to make reasonable compromises or peaceful adjustments required by the facts. There are, for example, strikes arising from jurisdictional disputes between unions. The public does not understand that the underlying reason for such disputes is the simple human instinct of self-preservation. In the construction industry, where these disputes mainly occur, the unions operate in a labour market with an extremely high rate of turnover and, therefore, a very low degree of security of job tenure. Accordingly, they seek to achieve more security for their members by protecting their craft jurisdiction. This is not unusual. Business and farm organizations also exist to protect businessmen and farmers operating in an uncertain market economy. But, jurisdictional disputes in the ranks of labour which lead to strikes and injure innocent parties do not help to create a favourable image.

I suggest that organized labour must establish effective machinery in Canada for the settlement of disputes between unions without work stoppages. This is particularly necessary where established craft jurisdictions are affected by new production methods or the use of new materials. Inter-union machinery is also required to deal with disputes arising from so-called union "raids" on the membership of other unions. The public understands strikes by unions arising from conflicts with employers; it does not understand strikes arising from conflicts between unions. This is a fact which must be faced because institutions operating in a democratic society cannot afford to ignore the impact of their conduct on public opinion.

I know that, when I talk of the conduct of the parties and their public image, your mind turns to instances of abuse of power. Such abuse, where it exists, must be condemned—and, in the case of trade unions, no one condemns it more than the large majority of union leaders who are honest and responsible. Some people tend to judge all trade union leaders by the acts of a small minority. This is as unfair as it would be to condemn all businessmen because inquiries have disclosed dishonest practices by some of them or to condemn all politicians because corruption has been proved against a few. We must be fair. And, in seeking a remedy for abuse of power, we should avoid legislation which punishes the innocent with the guilty and has only the ulterior motive of imposing severe restrictions on free collective bargaining or seeks merely to reduce the power of one party in order to place it at a disadvantage in its dealings with the other. Such laws would not make for industrial peace.

In the United States there has for some years been agitation for so-called "right-to-work" legislation and such legislation has been enacted in a number of the states. I have heard the term used in Canada. It is appealing: on the surface, it expresses a worthy intention to protect the individual's right to work. In fact, however, it is only a catch-phrase: its authors have shown an interest neither in rights nor in work. They are interested primarily in setting the clock back as far as the democratic right to bargain collectively on conditions of employment is concerned. There is no "right-to-work" legislation in any of the major industrial states. But it is significant that among the states which have enacted it are Alabama, Arkansas, Georgia, North and South Carolina, Florida, Texas, Virginia and, of course the "sovereign State" of Mississippi. If we in Canada are concerned with any phase of human rights, I am confident that it is not to these states that we shall look for guidance.

I think there is general agreement that abuse of power must be curbed. In an age of big business and its counterpart, big unions, each in a position to wield great economic power, the exercise of such power, whether by unions or business, is properly a matter of public concern and calls for appropriate protection by law against its abuse. I suggest, however, that protection to be effective requires not only a law but also the exercise of responsibility by the persons concerned. In a trade union, for example, abuse of power is made easier where there is lack of active participation by the rank and file in the business of the union. Now, laws can provide a frame-work for the application of democratic principles, but the application of such principles will in fact depend upon the responsibility shown by the union and its members.

In one of his last lectures in America, Professor Harold

Laski, whom no one will consider to have been anti-labour, said: "The need we all confront, not least among the trade unions, is to make democracy democratic. . . . A trade union needs discipline; but the last thing it needs, and the last thing it ought to accept, is an autocratic dictatorship imposed from above. . . . The unity of workers in their trade unions will be maintained only by making unions democratic, and democracy, I repeat, is participation in which the rank and file are not only told they matter, but are really aware that they do matter to their own leaders."

This is sound advice. But it must be applied realistically. Democracy also requires discipline. It is important to remember that employers do not like to bargain with trade union officers who cannot make a bargain. The same employers who may complain of the absence of democracy in a trade union, will also complain of lack of authority on the part of the leaders, of lack of union discipline and of inability by unions to enforce contracts. It will therefore not serve the interests either of employers or employees to force rigid rules on union organization and practices in the alleged interests of democracy. For effective collective bargaining and enforcement of contracts, we have to face the fact that there must be some compromise between the authority of the elected officers of a union and the control over their actions vested in the membership. I have already said that compromise is of the essence of democracy.

As an example of abuse of authority, it is charged that some union leaders call strikes without the approval of their members. Considering the problems faced in organizing and conducting a strike, I would say that such instances are infrequent. But, to the extent that the allegation is true, it points to an abuse which should not be condoned. Strikes are costly to both sides and must not be called until all other means of settlement have been exhausted and the prior consent of a proper majority of the workers has been obtained through democratic procedures.

The public must not be led to conclude from talk of strikes that union leaders are "strike-happy". The facts prove otherwise. Nor should it be concluded that there is a cure-all for settling all industrial disputes without strikes by unions or lockouts by employers. Mediation or voluntary arbitration by third parties would be the more civilized method, but, since mutual confidence has not yet replaced mutual suspicion, I am afraid that the required degree of civilization has not yet been attained. This is not intended as a particular reflection on organized labour or on management; in another area, we have this year witnessed a strike by the medical profession, which, like lawyers and other workers, is also organized.

Strikes are, of course, the feature of labour-management relations which attracts most public attention. They are highly publicized and directly or indirectly affect third parties. Their broad impact may be serious. The public therefore has an interest in the peaceful settlement of industrial disputes. Under to totalitarian régime, whether Fascist or Communist, there is an easy formula: strikes are prohibited. But a democracy must have regard to considerations which do not face dictatorships. To force men to work under conditions to which they object can only be justified in a democratic state by exceptional circumstances. We must face the fact that the right to strike and the employer's right to declare a lockout are necessary counterparts to free collective bargaining. The strike and the lockout are methods, however painful, for reaching agreement. The alternative is state regulation, which the parties to industry are not prepared to accept. Neither party wants agreement to be imposed upon them.

It does not follow that unions are free to call strikes in all cases or as and when they choose to do so. The right to strike in Canada is circumscribed and limited by legislation. The law now generally prohibits strikes during the term of a collective agreement and in certain essential public services, such as police and fire protection, they are as a rule prohibited at any time. In these cases the general rule is that disputes must be settled by arbitration. Where the right to strike exists, the law prescribes minimum delays for bargaining and conciliation before it may be legally exercised. There are, of course, occasional illegal strikes; I suggest that unduly long and frustrating procedural delays are partly to blame.

There have been particular disputes where, conciliation or mediation having failed, government, representing the community, has imposed compulsory arbitration because it was deemed that a work stoppage would injure a vital or essential public interest. Such intervention has been rare; in a free society the power to force compulsory settlement must be used with great discretion. Nevertheless, we have to accept the principle that where the interests of the parties conflict with the overall interests of the community, it is the interests of the community which should prevail. And this principle must govern in any area where the welfare or the safety of the community may be injuriously affected by the conduct of organized interests, be they doctors or hod-carriers.

We hear it suggested from time to time that our society has reached a stage of development in which strikes and lockouts have become obsolete. I am afraid that this is an example of both over-simplification and over-optimism. Now, there is no doubt that the use of the strike weapon has been and will continue to be affected by social and economic changes. For example, with progress in collective bargaining, where the workers have attained a higher level of income, have become entitled to a variety of pension, insurance and other benefits, as well as seniority rights, and have adjusted their living standards accordingly, they may find a strike too costly both in terms of immediate wages lost and in its effects on their longer-term security. Where these considerations apply, they have a growing interest in avoiding strikes to settle disputes. But these considerations by no means apply in all situations: workers earning a bare subsistence wage, or even less, do not have the same interest in avoiding strikes.

The evolution of public policy on labour relations has also affected the use of the strike weapon. Thus, the enactment of laws to protect the right of freedom of association and to establish collective bargaining rights has to a large degree, although not entirely, eliminated what was for many years a major cause of violent strikes—the struggle to win employer recognition of unions. Some of us recall the "sit-down" strikes of the 'thirties when unions fought for recognition in the mass-production industries.

While change in our society has reduced some of the causes of tension in industrial relations, we cannot conclude that it has eliminated them. In fact, change has created new tensions. We now face the impact of increasing automation in industry on employment and the security of the worker. For example, men trained in particular skills, which they expected to use for the rest of their working lives, may find at an age when it is impossible for them to be retrained or to obtain new employment, that their skills are no longer required. The loss of their jobs affects also their pension rights, their seniority and other acquired rights. We find here the raw material of conflict. The human consequences of economic and technological changes are now therefore matters of major concern to governments and in labour-management relations. It becomes necessary to determine how the social costs of the changes should be shared: social justice has to be balanced against economic efficiency.

It is clear that these problems call at the outset for close co-operation between management and labour. Before introducing changes which will displace or shift labour or otherwise materially affect the relationships with labour, it is the responsibility of management to discuss the changes and their probable effects in advance with the representatives of its employees, and to consult with them on the best means of adjusting to the new situation. This may require new skills on the part of both management and labour leaders, but such consultation is necessary to facilitate acceptance of and adjustment to the facts of change.

I am confident that in this day and age no responsible management will take steps vitally affecting its working force before consulting its representatives. Without responsibility on one side, there will not be responsibility on the other. I suggest that it would promote responsibility if, instead of meeting only as opponents in collective bargaining negotiations or on grievances, the representatives of management and unions would meet more regularly to discuss matters of mutual concern affecting the industry. Such discussions would give recognition to the fact that their mutual interests extend beyond the issues of wages, hours and working conditions which are negotiated in collective bargaining. In this way they could learn to understand each other and their respective problems, which is essential if mutual confidence is to replace mutual suspicion. This would be a mark of responsibility—and the public has a right to demand responsibility from both sides.

THANKS OF THE MEETING were expressed by Mr. R. J. Wood.

"WHY MEDICARE IN ONTARIO?"

An Address by

DR. PATRICK BRUCE-LOCKHART, M.B., M.R.C.O.G.
President, Ontario Medical Association

Thursday, November 22, 1962

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: It has been announced that the Government of Ontario is studying plans for medical care for all its citizens and both the Liberal and New Democratic parties in Ontario are advocating the immediate adoption of a medicare scheme. Thus this subject has become an issue of great importance to all of us. We have not been told so far as I know all the advantages and disadvantages of such a scheme or how much it will cost. To learn more of this subject, we have invited our guest to address us today. He is Dr. Patrick Bruce-Lockhart of Sudbury, Ontario, the President of the Ontario Medical Association and he is eminently qualified to discuss this subject.

He graduated in Medicine from Edinburgh University in 1941, and after 4 years as a medical officer in the British Army, serving chiefly in India, he took further specialist training and became a member of the Royal College of Obstetricians and Gynaecologists. He practised under the National Health Service in Britain and then came to Canada in 1953 to accept an appointment in a clinic operated by the International Nickel Company. Since 1956, he has carried on his own private practise and is a consultant in Obstetrics and Gynaecology. He is the chief of this division in the Sudbury General Hospital.

He holds his present office because the members of the profession in Ontario recognize him as a leader and spokesman with the ability to present their views.

His surname in Scottish, his Christian name Irish and he was born in England. He has come from Great Britain to raise his family of two sons and a daughter in Canada. His subject is: "Why Medicare in Ontario?".

DR. BRUCE-LOCKHART: Medicare is the word now used to describe Government run health services insurance. To place this problem in perspective one should keep in mind certain things. Firstly the word is new, but the concept isn't. It began in Germany under Bismark in 1888, which is 74 years ago. There is thus a lot of experience and of history to draw on, and we would be foolish to ignore it.

Secondly voluntary prepaid medical insurance which was pioneered by doctors some 25 years ago in this province, has only developed extensively in the last 10 years, is now covering over 60% of the population, and is uniquely North American in both its breadth of coverage and extent of development.

Thirdly, we should understand that, at the present time, there are 3 groups of people who either cannot prepay, or pay for their medical care. These groups are: the frankly indigent; then a group of people who can just pay their way, but haven't a sufficient margin of income beyond the bare necessities to pay for or prepay their medical care; finally people who because of age or illness are bad insurance risks, and thus cannot buy insurance even though they can afford it.

It is fair to say that these people all get medical care at present, partly through Government financing, partly through teaching hospitals and their out patients clinics, and partly through the profession treating them without charge. At this point I wish to make it clear that the Medical Profession is not asking for money for treating these people. It is the politicians and sociologists who raise the question "Is it right that these people should be the objects of charity, or should the State pay for their medical care?"

Following on from this one should appreciate that these groups have not been forgotten and that progress is being made in dealing with them. Since 1935 the O.M.A. has run a Medical Welfare Plan under contract with Government, and this provides payment for medical services in Home and Office. It began with recipients of relief, but has gradually extended to include others, for example people on disability, on old age assistance, on Mothers allowance. It now covers over 220,000 people. Early this year the Association approached the Government regarding the possibility of extending this plan to the 2nd group I spoke of, with marginal incomes. The Government was not unsympathetic, and at present is looking into the problem of defining this group. Lastly the Canadian Health Insurance Association has developed a plan which they presented to the Royal Commission on Health Services, outlining a mechanism of pooling the high risk group between all the companies which could enable this group to buy insurance at a reasonable premium. The doctor sponsored service plans have tackled the same problem another way, by making first some towns, and now a whole county, into a group and allowing everyone to buy insurance.

Fourthly one should realise that there are other problems beyond that of paying medical bills, which require Government resources. Most people do not realise it but there is an equal amount of mental illness as there is physical illness. The modern concept is to treat the mentally ill in their community hospital near their families. Tremendous reorganization and new facilities are required if we are not to lag far behind the times in this area. There is a shortage of hospital beds—particularly in Toronto; of medical schools—we are dependent on the immigration of doctors to keep up with our population growth; of training schools for all types of para-medical personnel such as physiotherapists, laboratory and x-ray technicians and so on. Community centres for rehabilitation are required. All these things need attention and money, and in the profession's view should have considerable priority.

If we now look at the problem of Medicare, keeping these things in mind there arises one fundamental question. "Is it better for everyone that Government should control and administer any plan, or merely assist and inspect?" You will notice that I phased the question "Is it better for everyone?" Surely this is what we should be talking about and not just

"What the Public wants" nor "What is easiest administratively", and certainly not "What will bring the most votes."

If you look at history and at the experience of those countries in which Government has taken over the control and administration of medical care, you will find 3 problems arise. The first and major one is that costs immediately rise beyond expectations and just have to be controlled. Secondly there is a tendency, often not apparent for many years, for medical research to slow down. Thirdly, in time the status of the profession falls, and later the quality of person becoming a doctor deteriorates.

The first point is incontrovertible. The reason for the rise in costs is a simple one. Human nature being what it is, as soon as personal responsibility is replaced by State responsibility, the individual changes his attitude. Waste and abuse no longer concern him as much as getting his rights and entitlement, and his money's worth.

Thus in medical matters the utilization of services jumps, and the citizen considers only his own wants in this regard and no longer merely his needs. You would think that there would be a natural limit to this but the evidence is to the contrary, and some figures are staggering. For instance, in Germany in 1928, 40 years after the start, one out of every two insured took 24 days sick leave a year.

Now obviously this sort of thing is intolerable, no Government has unlimited funds and so controls are instituted. A bureaucracy develops, which is an additional expense, and tries by regulations to control wants and yet supply needs. This means an assessment by someone at the centre, and his only possible yardstick is averages. Averaging produces a mediocrity of care geared to the mass and not to the individual.

Another way to control costs, as has been done in Britain, is to limit facilities and doctors. Less hospital beds means long waiting lists but reduces costs. Overcrowded doctors offices is also a deterrent to ones use. Some countries have said "Cut costs by controlling doctors earnings." But history shows that this is only a stop gap measure. So long as patient utilization of services rises uncontrolledly the cost very quickly soars past saving. Further the doctors resent it and lose their traditional interest. It should perhaps be pointed out that in Austria, Italy, and Germany there have been token doctors strikes within the past year.

In its struggle to keep down costs Governments naturally find less money available for research, and this has to be controlled. Now research thrives on freedom and initiative. It is noteworthy that today the best research work in medicine is coming out of North America; that Germany at the time of the start of Government health insurance was the leading medical centre in the world, and that from the point of view of research Germany had become a nonentity before Hitler and the last world war.

The problem of a deterioration in the quality of the individual who becomes a doctor is hard to assess objectively, and because it can only be an assessment any resultant opinion can be challenged. However I personally think it is likely very real, and would draw your attention to two facts, which are food for thought.

The first is that a British committee studied medical manpower problems some six years ago, and recommended a slight decrease in the intake of students to medical schools, as in their opinion there would be a surplus of doctors. Today there is a definite and fairly serious shortage, and the mistake the committee made was in underestimating badly the number of doctors who would leave the country.

The second one is that something over 80 doctors have left Saskatchewan over the recent crisis there. If we would put this in perspective we should realise that this is equivalent to 900 doctors leaving Ontario.

So far I have talked about the problems raised by Government control and administration. It should be appreciated however that some countries have tackled the problem differently, and realistically. In Switzerland and in Australia the Governments assist individuals who buy insurance from multiple approved carriers, by paying the insurance carrier a benefit for each service the patient gets from a doctor. This is about equivalent to 40% of the fee schedule, and enables the patient to insure himself for only the remaining 50%. Both Governments audit the books, and pay larger benefits for those who can show their need. In both the patient has to pay something out of his pocket for each service received. Thus the Government's liability is limited, the patient's responsibility is maintained and costs have stayed within reason. Further the Australian Bureaucracy for the whole plan is some 40 people, in contrast to Britain where administration outnumbers the doctors. Both the Swiss and Australian doctors are of top quality, have high status, and considering their numbers provide good research work. Sweden has gone halfway. That country where the welfare state has developed to an extent which is as yet quite undreamed of in our philosophy, requires the patient to pay 25% of doctors bills out of pocket, up to a certain maximum and excluding the very low income group, and also to pay something for each day in hospital. I think it would be worth quoting a comment on the importance of patient responsibility by Sir Ronald Grieve, Chairman of the Medical Benefits Fund of Australia in 1961. "With some knowledge of Government I would state advisedly that any Government that would disregard this axiom will be drowned, in a budgetary sense, by a flood of its own creation."

I have made a few comments from history on some aspects of the fundamental question "Is it better for everyone that Government should control and administer any plan, or merely assist and inspect." I would suggest that it is worth your while to think on these things.

The Ontario Medical Association's view is simple. We believe that the essential thing in medical care is to treat the individual as an individual because he is different from every other human being. Different in his reaction to his environment, to management, to being ill, to a particular disease and to drugs.

We believe that the public wants personal attention from a freely chosen individual physician. We believe that Government administration and central planning which must deal with averages and with the mass and not the individual, will harm individual medical care and lower its standard. We are afraid of medical needs competing at the Treasury and political level with roads, education and so on, and political expediency not medical needs deciding the issue.

Lastly if Government becomes the sole purchaser of the profession's services, history has taught us that this is ultimately complete control. We look on this as conscription, and like any other group of citizens would bitterly resent it.

We have no objection to anyone working for Government by choice, but do not think it right for anyone to be compelled to work for one employer or else leave the country.

Now I am sure some of you will be saying "but this is state medicine he is talking about. Medicare is different it is merely Government insurance. The doctors believe in Health Insurance—What is wrong with Government run insurance? It will be just like P.S.I. or any other good insurance plan, only better because it will also cover those groups not covered at present. What difference will it make to the doctors?" The point here is simply that because it is called insurance the public thinks of Medicare in these terms. The doctors however consider it just the same as State run medicine. It is true that we strongly support medical insurance, and as I have said pioneered it through our doctor sponsored plans. But if in "Medicare" we are talking about insurance, then why have the State run it. Why not have the experienced, efficient insurance companies and non-profit agencies run it, have them kept efficient by competition, with the Government supplying financial benefits through these agencies, and very properly auditing their books to see that all is above board. Incidentally, in Australia doctors, patients and all political parties are happy with the scheme. But no one mentions it here. What is suggested and what has developed in Saskatchewan, is an insurance plan run by a Commission.

You of course all know that a commission is a Government agency set up under an Act of Parliament, with the power to make regulations under the Act, subject only to the approval of the Lieutenant Governor in Council, which means the Cabinet. These regulations have the power of law, do not go to the Legislature, and the commission's decisions cannot be appealed to the Courts.

The Ontario Hospital Services Commission is an example of this. It runs a hospital insurance plan—but it is not just insurance as Blue Cross was. You should understand that the hospitals are quite free to work outside the Act. They do not have to accept the Commission's rulings, but no one else is allowed to insure patients for hospitalization, and the commission will only pay the hospitals if they follow the regulations. Thus, in fact, the commission controls the hospital budgets, the salaries it may pay its employees, the detail even of the amount of money they may spend per day per patient on food and the number of beds it may put up. The commission has to approve the By-laws for the medical staffs, and takes the money the hospital earns from its out-patients services (which are not insured services under the Act) by paying them that amount less for their in-patient expenses. Now, is this what you understand by an insurance plan like P.S.I. or Blue Cross? We in the profession do not think so and this is why the doctors consider that medical insurance run by a commission is just State medicine, under a more tactful name. Thus the problems of cost and controls and administration are the same.

The planners would not agree with this view. I use this word for a mixed group of economists, sociologists, experts of various types, and general minders of everyone else's business who, somehow, always seem to get into the act. Those planners survey the whole field, or the one facet of it that comes into their view, see clearly one or more deficiencies and say essentially, "If I controlled this I would cure these problems easily—the thing only needs planning", further, "Organization produces efficiency, eliminates duplication and waste and ensures that everyone gets everything he needs." Now these statements may be true when dealing with things, but when dealing with people they assume that the expert or planner knows what individuals need, better than they do themselves.

I believe that very few people outside the profession realize the complexity of the issues, or realize the fact that medical care and practice often changes profoundly, rapidly and always unpredictably. The change is unpredictable because the direction of advance of medical knowledge and new discoveries cannot be foretold. Thus there is tremendous danger in the well intentioned planners solving some problems by organization, only to create quite unwittingly a dozen new ones. I hear it increasingly said "Well if it is all so difficult why don't the doctors, who should be the ones to know, why don't they come up with a plan?"

Gentlemen, this is a very fair question, everyone likes the positive approach, but you know the trouble is that at this point you come so easily to discussing the merits of various plans, which in a sense is what I have been doing today. Then everyone assumes that there should be a plan. What if you genuinely believe that medical care, and by that I mean personal medical services rendered by a physician—is better when it is not planned or organized, or controlled except (a) by the natural forces of the market place, which here is the demands of the individual patient, his personal contract with his chosen physician, and his free choice of a variety of insurance plans, (b) by the supervision of the medical authorities under Act of Parliament, and of the Government, each in their proper sphere?

I would suggest to you most strongly that we have here at present a very high standard of medical care second to none; that this is the result of an evolutionary process whose corner stone is simply "Does it meet the test of dealing in the best possible way with the individual patient's needs"; that this process produces steady sure progress; and finally that before one meddles with it one should be very sure that one is not harming it.

Government, and every citizen can assist the process, and has so done, and should continue to do so, but gentlemen, I would suggest to you that history shows that trying to control, or run, or centrally plan medical care can and usually does harm it.

THANKS OF THE MEETING were expressed by Dr. Harold V. Cranfield.

"THE LAW IS YOUR BUSINESS"

An Address by

DEPUTY COMMISSIONER GEORGE B. McCLELLAN
Royal Canadian Mounted Police

Thursday, November 29, 1962

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: It gives me great pleasure to introduce to you today a distinguished representative of the Royal Canadian Mounted Police. All of us know what a unique part this force has played in the drama of Canadian History. Organized about 89 years ago as the North-West Mounted Police to establish law and order in the West, it was granted the right to use the prefix "Royal" by King Edward VII in 1904. In 1918, its sphere was expanded to Canada, west of Port Arthur; and, in 1920 it absorbed the Dominion Police and became the Royal Canadian Mounted. Generally its present task is to enforce Federal Statutes throughout Canada and to enforce Provincial Statutes and the Criminal Code in all Canada except in Ontario and Quebec. It provides the police forces for 119 municipalities. As of March 31st, 1960, its strength was 5,540 men. In addition, it had 1,598 motor vehicles, 16 aircraft, 72 ships and boats, 269 sleigh-dogs, 31 police service dogs and 222 horses.

Deputy Commissioner McClellan was born at Moose Jaw, educated at the Royal Military College, Kingston, and at the Canadian Police College and the Canadian National Defence College. He joined the force in 1932 at Vancouver. Now he has completed 30 years service in various responsible posts in Canada. He was married in 1941 and has three daughters. The family are now living in Ottawa. After the last War, the Norwegian Government presented him with the King Haakon VII Cross of Liberation in recognition of special services rendered to the Norwegian Armed Services.

I am quite sure the Deputy Commissioner is very proud of the police force he represents, but I assure him that every Canadian—every law abiding Canadian—is proud of and thankful that we have in Canada to maintain the Rule of Law here, The Royal Canadian Mounted Police.

I present Deputy Commissioner George B. McClellan, who will address us on the subject, "The Law Is Your Business."

MR. McCLELLAN: In entitling my talk today, "The Law Is Your Business", I would like to refer, for a few moments, to law enforcement on a cost basis because, if you look at the administration of a nation, or a province, or a community in a businesslike manner you find that law enforcement is part of the overhead. It perhaps may be compared to fire insurance. It has two phases, preventive and remedial. Efficient law enforcement endeavours, first, to prevent crime and, second, to detect it and suppress it when it occurs.

One of the first aims of any good business is to cut the cost of overhead and, as a citizen of Canada, you should be interested to know that your overhead costs for crime prevention and crime detection are increasing every year. Crime and violence in this country are costing each and every one of you cold hard dollars and cents in the maintenance of police forces, the detection of crime, loss of life, loss by theft and fraud, maintenance of prisons and penitentiaries, and rehabilitation and parole of prisoners. This cost is entirely aside from the inestimable cost in human misery—mental and physical agony on the part of those who have suffered at the hands of criminals, and those who are left behind when criminals pay the penalty for their crimes.

I do not want to bore you with statistics, but there are some significant figures which give an indication of the direction in which we seem to be headed. For instance, in the field of counterfeit money, or "bad paper" as it is referred to by the criminal element, the police forces of this country, in 1960, recovered from both public circulation and from the hands of criminals $192,464.00 of counterfeit money. In 1961 the figure was $264,078.00 and, in 1962, to date, the total is $886,545.00. These figures do not cover the total amount of bad currency in circulation, for not all of it is recovered or reported. This tremendous increase is accounted for, in part, by the fact that modern methods of reproduction have made counterfeiting a much more simple operation than it was a few years ago. These methods have almost eliminated the old-time requirement for dishonest skilled engravers who were always in short supply, and the crooks who are dealing in counterfeit money have evolved more efficient means of distribution.

If you receive a counterfeit bill you are stuck with it and have lost whatever money you gave out in exchange for that bill. Someone has to pay for every counterfeit bill in circulation and, if counterfeiting rings are not smashed before their operations become widespread, the risk to trust in our currency becomes obvious. The amount of money obtained by fraudulent cheque artists in Canada, in the calendar year 1961, amounted to $1,514,944.05, and this figure does not include the cheques which we never hear about. From January 1st to October 31st, 1962, ten months of the present year, the amount is $1,210,085,58. Our Force believes that there are thousands of cheques that are passed by persons and which are never reported. As to the amount of property stolen, as all cities in Canada do not make reports I cannot give you a figure for the whole country, but the total for seven Canadian cities alone was $6,930,935.00. Of this amount only $3,750,527.00 was recovered.

In 1961 we managed to kill 3,426 people on the streets and highways of our country and we injured 99,263. Of the deaths 1,268 occurred in Ontario, approximately one-third, and of the injuries 37,146, something over one-third.

It has been estimated that employees in the United States and Canada are stealing four million dollars a day from their employers. Some time ago it was estimated, by the head of a large private security organization which is employed in a number of stores to prevent shoplifting, that shoplifting alone, in the City of Ottawa, accounts for approximately one million dollars a year. It has been reckoned that during the pre-Christmas season this last year, Canadians stole some 3% of all goods that moved out of retail stores in the month of December.

The penitentiary population in this country averages about 7,000, at a minimum cost of $2,500.00 per annum per inmate. There is a common gaol population of approximately 12,000 and the costs would be somewhat similar. In addition, there is an average juvenile gaol population of 3,500.

There are approximately 26,000 policemen in this nation, at an estimated average cost of maintenance of between $8,000.00 and $9,000.00 per year each, and I doubt if there is a Chief of Police in this country who, today, feels that he has sufficient men and equipment to do the job that is demanded of him.

All of these costs are being paid, in one form or another, by you, the average citizen and taxpayer. I have often wondered what the real cost would be if we were able to make a survey of the people left behind by the three thousand odd who were killed on our highways. I wonder what the cost would be in families who are left destitute and dependent on the community for support, the children who will never receive a full education and the useful lives which have been cut off before reaching fulfillment. Every prisoner in a federal penitentiary or a provincial gaol has his hand in your pocket right now. You are feeding him, clothing him, and, in many cases, feeding and clothing his family. You are supporting those of us who brought him there, and those who look after him while he is there. You are paying to rehabilitate him while he is in prison and to look after him while he is on parole—and none of these operations are profitable investments.

There are other costs to the country which are more difficult to estimate and which cannot be reduced to dollars and cents. So far, in 1962, seven policemen have been murdered in the line of duty and five others wounded. Three of the dead are from my own Force. The eldest twenty-three years. All left young wives and two of them infant children. No financial compensation can ever substitute for a husband and father. These three young men were all killed at one time, endeavouring to effect an arrest, and not one of them faltered at any time during the episode, and while carrying out their duty in your service.

Crime has been with us since Cain and Abel, in one form or another, but today we are seeing its expression in forms of violence and seemingly wanton cruelty that are shocking even to policemen like myself who have spent over thirty years in the profession. In the first place, the viciousness of the youthful criminal today is appalling. He is not satisfied only to rob, he is only satisfied if he has inflicted pain or injury on his victim. He moves in a pack—a gang. He lurks in the dark streets and his victims are women, old men, the weak, the helpless, and the sexual deviate who is in no position to complain. Not long ago, one young member of a gang, charged with attacking and robbing an eighty-year-old man, said to the arresting officers, "Old men who walk the streets at night deserve to be robbed."

In 1960, 35,443 young people between the ages of sixteen and twenty-four appeared before the courts, of which 52.8% stood charged with criminal offences, i.e., offences against the Criminal Code of Canada. Thirteen thousand, nine hundred and sixty-five youths, between the ages of seven and fifteen, appeared in court, of which 79.3% were charged with criminal offences. It is a disturbing indictment of our time that more and more serious crime is being committed by younger people. There seems to be a sickness abroad on this continent today, and one of its symptoms is a complete lack of any feeling of responsibility or mercy towards one's fellow man or to the community.

Democracy implies the right of men to live their lives as they desire, *provided* they *do not* trespass on the rights of others. In far too many instances today, freedom has become licence—licence with no accompanying feeling of responsibility towards anyone, other than self. Not only is there a lack of responsibility, there is an air of naked vandalism, destruction and cruelty among a certain element of young hoodlums and, quite frankly, it frightens me.

Any policeman will tell you that planning for Halloween today is like planning for a major military campaign. On Halloween this year you read accounts in your press of gangs of young toughs running through the streets and, in one case, making a mass assault on a police station to a point where tear gas had to be used to drive them back. On their way to the police station, some of these punks deliberately tore radio aerials and rear-vision mirrors off automobiles parked along the streets. Senseless, wanton destruction. I confess, as a youngster, to having pushed over more than one plumbing facility on Halloween night but, surely, the type of vandalism I am talking about is a recent innovation.

I would like to make it very clear that I am not raising the overworked expression, "juvenile delinquency", and I am not for one moment suggesting that the younger generation is going to Hell. I am a father and I know something of the problems which young people are facing today in a world under constant threat, and with no assurance that there will be a future. I think, for the most part, young people today are more serious minded than were we. I know that in an age of exploding scientific progress they have so much more to learn in school than did we and I feel that in spite of the sorry mess that we oldsters have got the world into, the great majority of young people are meeting the challenge better than we could have hoped.

It is not juvenile delinquency I want to speak about now, it is parental delinquency because, in my humble opinion, the group which is creating the troubles I have referred to is, for the most part, a product of irresponsible homes and irresponsible parents. I think the trouble begins in the home and, ultimately, it will have to be corrected in the home. The police, the courts, the overworked rehabilitation organizations, the boys' clubs and the girls' clubs, useful though they are, can never substitute for the home, the school and the church, particularly the home.

The seventeen to twenty-four-year age group of hoodlums, who gang up at night on our streets, or in cheap cafes —and who gang attack unescorted girls, or weak old men, are not misguided juvenile delinquents. They are vicious criminals and they started down that road when they were children. When I see twelve- and thirteen-year-olds wandering the streets at ten and eleven o'clock at night during the school week, I do not have to look very far to know who let them do it, and I can give a reasonably accurate guess as to where many of them will wind up.

I realize there are exceptions to any general rule and that the community must afford services to children who have no home and no family background, but, in the main, the fault lies with the parents who accept no responsibility for raising the children they have brought into the world, and I think we have a long way yet to go in teaching parents of this type that they have either got to accept their responsibilities or be penalized themselves for not doing so.

By no means do all of these young hoodlums come from lives of poverty. Many of them are from average Canadian families. So often, in court or in my own office, I have heard the cry of an anguished or bewildered parent, "How did my child get to be this way?" Well, the seed for good or evil is in all of us and the fruit of it depends on its cultivation. After thirty years of sampling the fruit, both sweet and sour, I have a few ideas on the best methods to use to ensure that your child will become an antisocial misfit.

I would like to emphasize that these are purely personal ideas and many people who have had much more experience in the field of youth guidance than I have may disagree, but here they are for what they are worth.

(1) Do not have any rules for child behaviour or obedience in the home. This will ensure that the child has no clear concept of right or wrong.

(2) If you have any rules, enforce them intermittently, ignore them when you are in a good humour and knock the kid silly if he breaks the rules when you are tired and out of sorts. This will confuse him thoroughly. He won't know what is expected of him and will eventually resent all discipline.

(3) Air your domestic disputes right out in front of the children, preferably with a little name calling. This will ensure that he has no respect for either of his parents.

(4) Never give a child any chores or regular duties around the home. This will convince him that you and the world owe him a living, without effort on his part.

(5) If he is disciplined at school, always go to the school and tear a strip off the teacher, or the Principal, in front of the child. This will create an excellent contempt for authority at any level.

(6) Later, when he has trouble with the police, which is most likely, bawl out the officer, or better still, the Chief,

being always sure to refer to the "dumb cop". This procedure will earn the child a diploma in contempt for authority.

(7) When you are out driving with the family, exceed the local speed limit, but slow down when you see a police car. Be sure to speed up as soon as the police car is out of sight. This will show the child that the law is to be observed only if there is any danger of being caught.

(8) If you are stopped by the police for speeding, and you are speeding, always deny flatly that you were exceeding the speed limit. Make a big fuss over it. Your child will then know that cheating and lying are acceptable procedures.

(9) If you have managed to chisel a few dollars on your income tax be sure and tell the family at the dinner table that night how smart you are. This should convince the youngsters that stealing is all right if you can get away with it.

(10) Never check up on where your youngsters are in the evening. Never mind what time they get home. *Never, Never* try to learn anything about their friends. This one is almost sure fire.

Practise all these procedures for a reasonable time during the impressionable years and you can be reasonably certain that you will have raised a little stinker who is going to be a problem to his school, to his friends if any, most likely to the police and, believe me sincerely, an eventual source of unadulterated Hell to his parents.

Corruption, unchecked, reaches into every phase of our daily life. We read in the press about kickbacks, payola, public officials who are on the make and, unfortunately, sometimes bad policemen. The thing that worries me is that far too few people seem to get mad about it any more. In some way we seem to have lost our capacity for good old-fashioned righteous indignation and, somehow, we have to find it again. You cannot create morality, ethics and respect for the law merely by passing more laws, or by leaving enforcement entirely up to the police.

You are fortunate, in Metropolitan Toronto, in having what is, in my opinion, an efficient, well-organized and well-directed police force, but you cannot expect the Metropolitan Toronto Police to carry the burden alone. The police are not some organization set entirely apart from the people of the community. Policemen are your employees, doing your work on your behalf, and enforcing the laws which have been enacted by the legislators you elected. They are entitled to your support, your co-operation, your understanding, and your respect, as long as they earn it. The threat offered by the forces of crime today is to your pocket, your home, your family and, perhaps, your life.

Nearly 200 years ago Edmund Burke warned, "The only thing necessary for the triumph of evil is for good men to do nothing."

THANKS OF THE MEETING were expressed by Mr. Norman Borins, Q.C.

"CANADA IN THE WORLD OF TODAY"

An Address by

THE HONOURABLE HOWARD GREEN, P.C., M.P.
Minister for External Affairs

Joint Meeting with the Canadian Club of Toronto

Thursday, December 6, 1962

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: It is a great pleasure for me on behalf of the Canadian Club and the Empire Club to welcome as our guest to-day, the Honourable Howard Green, a Privy Councillor and the Secretary of State for External Affairs.

He addressed a joint meeting of our Clubs just over three years ago on November 26th, 1959. At that time he had been Canada's Minister of External Affairs for about five months. Since then Mr. Green has grown in fame and stature and I am sure in knowledge as the head of the Department responsible for some 85 Canadian diplomatic missions, for our relations with the members of the British Commonwealth, with the United States and for the part we play in the United Nations. The members of our Clubs are anxious to be kept informed on world events which affect our country or the Commonwealth and, therefore, are delighted to hear the person who can speak with the greatest authority about such events.

Mr. Green was born in British Columbia and I believe still considers his home is in the West. He graduated from the University of Toronto in 1915, then served overseas from 1915 to 1919, returning with the rank of Staff Captain, having been mentioned in Dispatches. He and I were in the same classes at Osgoode Hall in 1919 and 1920. Also, I believe the Honourable Mr. Frost, who is present to-day, attended those classes. The Law Society provided a summer course for our third and final year and my recollection is that everyone passed, although some of the hard and seasoned veterans had great difficulty in going without smoking for three hours while writing examinations.

Mr. Green was elected to the House of Commons in 1935 and has not lost an election since. He occupied the posts of Minister of Public Works and Acting Minister of Defence Production from 1957 to 1959. He has established an enviable reputation for his unswerving integrity, for his deep attachment to the British Commonwealth and for his loyalty to Canada.

I present the Honourable Howard Green, P.C., Q.C., M.P., whose subject is: "Canada in the World of Today."

HON. HOWARD GREEN: May I say how happy I am to be here speaking once again to the Empire Club and the Canadian Club. It is a particularly pleasant occasion for me, because I have these two old friends on either side; meeting them again brings back memories of days at Osgoode Hall when we were just back from the First War, full of ambition and determined that if we did nothing else, we would see that Canada had good government. I must pay tribute to the way in which my old friend Les Frost achieved that aim.

Today, I am speaking on the subject of "Canada in the World of Today." May I point out that Canada is heavily involved in practically every part of the world, and I think is helpfully involved, working with unselfish motives, trying to do what she can to better conditions throughout the whole world.

First of all, with the United Kingdom and the United States; our relations with both of these leading powers are and have been extremely close. We are dealing with them in all parts of the world, practically on an hour-to-hour basis, and these, of course, will continue to be Canada's main contacts in the years ahead.

Then in Europe, largely through our membership in the North Atlantic Treaty Organization, we come in very close contact with twelve other countries, all European; in the course of the development of NATO, representatives of the member countries have grown to understand each other very well, and there is really quite a spirit of brotherhood.

I am leaving next Tuesday for a NATO meeting in Paris, and there will meet old friends and we will talk things over in a most informal and friendly way. Mind you, we also have other extremely close friends in Europe, for example, Ireland, Austria, Sweden and Switzerland. With all of these countries our relations are good. Then, of course, we are involved in the Commonwealth, and these nations of the Commonwealth are in all the continents; I will have something to say later on the Commonwealth. We are also involved in the Middle East, where we have about nine hundred young Canadians serving in the United Nations Emergency Force in the Gaza Strip, with other young Canadians on truce supervisory teams in Israel, Jordan and Lebanon. This, of course, is a difficult area in which to operate, and Canada is quite heavily involved there.

In Asia, too, we play quite a part; for example, under the Colombo Plan which brings us into contact with all the countries of southeast Asia, most of them members of the Commonwealth, but others as well. In the former Indo-China, Canada is serving on Truce Commissions for Viet Nam, Cambodia and Laos. A few months ago, along with thirteen other countries, we signed an agreement in Geneva which it was hoped would bring a settlement in Laos. The Foreign Minister sitting next to me there was the Foreign Minister of Red China; we had quite an unusual group at that conference. Canada was there as a member of the Truce Supervisory Commission for Laos and I think played a significant part in bringing about the success of that conference. Canadians also serve on a truce commission in Kashmir between the Indians and the Pakistanis.

Then we are also involved in Australasia; Canadians are serving in West New Guinea under the United Nations which has the supervision of that country until the Indonesians take over from the Netherlands next May. In Africa we have young men in the Congo; only three western countries have any substantial number of troops there, the other two being Sweden and Ireland. Because we have these troops there, we serve on the Congo Committee of the United Nations, along with others I have mentioned and with about fifteen African and Asian countries. Canada has been able to bring moderation into the deliberations of that committee.

Also we have contact with the Commonwealth countries in Africa and with the French-African countries. There are about 15—I can never be quite sure of the number—14 or 15 French-speaking nations, members of a group which corresponds to our own Commonwealth, and we are able to keep in very close contact with these French-speaking nations. We have a plan for helping them, by training their students and sending out teachers; and at the United Nations we have delegates whose main job is promoting friendship with these French-speaking nations. This not only helps in Canada but also helps us in the United Nations, where we need a lot of friends if we ever want to have any of our ideas accepted.

In Latin America and in the Caribbean, we also have many contacts. We have gone out of our way to build up friendships with our neighbours of the Western Hemisphere. We haven't actually taken the step of joining the O.A.S., and it is very interesting to me as I go around the country to ask audiences whether they think we should or should not join the O.A.S. I did that just last week at the University of Toronto and at York University, and in each case the result was about fifty-fifty. Probably that reflects the feelings across the country.

Then, of course, at the U.N. we are very heavily involved, I think in a very helpful way; also in the Disarmament Conferences at Geneva, where Canada is serving as one of the four western countries. France refuses to participate, otherwise there would be five. In addition we are on very good terms with the eight unaligned members at that Conference. We have diplomatic relations now with about eighty-five countries. That is almost double the number with which we had relations five years ago. We have about three hundred and sixty-five foreign service officers who are the key men in the Department of External Affairs, and you will be interested to know that eighty-three of them are graduates of my old alma mater, the University of Toronto, almost double the number from any other Canadian university.

It all adds up to the fact that in 1962, Canada is one of the leading middle powers; not ranking of course with the great powers like the United States, the Soviet Union, the United Kingdom and France, but as one of the leading nations in the next group; one which I think has greater growth potential than any of the other middle powers, and a country, which could become one of the great powers of the world.

That is a rough sketch of the degree to which we are involved in the world today.

Then a few thoughts about three of these particular activities. First of all, the Commonwealth. I know it is of great interest to both of your clubs, more so than it would be to any other clubs in Canada. Certainly no clubs in Canada are more interested in the Commonwealth. It has great traditions, for example traditions of the two World Wars. How long was it in the last one that this Commonwealth was standing alone and saving civilization? Today it is a changed Commonwealth. Today there are four of the old members, United Kingdom, Australia, New Zealand and Canada, and twelve new members. Two months ago I had the privilege of participating in the Prime Ministers' conference in London, and I wish each one of you could have been there just to see the group assembled, sitting at a large oval table, Prime Minister Macmillan sitting on one side, Canada opposite as the senior member, and then Australia, India, Ceylon, Malaya, Cyprus, Tanganyika, and Trinidad to our right; on our left New Zealand, Pakistan, Ghana, Nigeria, Sierra Leone, Jamaica, and Sir Roy Welensky, representing the Federation of Rhodesia and Nyasaland. There was something about it which touched one's emotions, which I cannot adequately describe, and I think that was the reaction of everyone present at that table.

There are, of course, many significant features of the Commonwealth. One is the common allegiance to the Crown, which is of great value. Her Majesty the Queen is the Queen of Canada; in some others she is recognized as head of the Commonwealth; but there is an allegiance which means so much in keeping the Commonwealth together. Also there is a sense of belonging, belonging to a club, and I think it is of great importance not only to older countries like Canada, but also to the new nations; the Commonwealth stands for something fine today and they are proud to be be members; everyone expressed this view at the Prime Ministers' Conference. Then the new countries are linked in the sense that the Commonwealth brought them their independence. This was brought about by the British, and I think the British have exercised outstanding statesmanship in the way in which they have launched these new nations. Incidentally, at the conference of Prime Ministers there was unanimity in urging the cause of disarmament. The Commonwealth must stand for disarmament, because it would be broken into pieces if there should be a third World War. I believe that the Commonwealth stands today for the dignity of the individual, regardless of race or creed or colour. Every member nation stands for the dignity of the individual. As the Commonwealth is made up today, it is vital that the value of the individual be maintained, otherwise the Commonwealth cannot endure. I think it is the best bridge there is between the races, and between the continents.

At Commonwealth meetings, Canada speaks first after Great Britain. She is, of course, a former Colony; an outstanding example of what a Colony can become, and looked on as such by all the new countries of the world, Canada is looked on to set standards. Don't ever forget that. We have that obligation to be careful about the standards we accept. I haven't time to go into details, but there are plans under which Commonwealth students come to Canada. Also, a few weeks ago I had the privilege of saying good-bye to 75 or 80 Canadian teachers at their final briefing before leaving for other parts of the Commonwealth; they were there with their wives and children, and the spirit of that group was amazing; it was very much like the old missionary days when young people went out, particularly from Toronto, to China and India and Japan, with fervour and zeal, knowing that they were doing something worth while in the world. Some of these teachers were older people, they were not all young people.

We are going to have a Commonwealth educational conference in Canada in 1964. This body supervises the Commonwealth scholarships which were initiated by my predecessor, the Honourable Sidney Smith, under which a thousand young people from the Commonwealth get a two-year course in one or other of the Commonwealth universities. We have about two hundred and fifty here in Canada at all times.

One other aspect of the Commonwealth I would like to mention is that we owe it to the United Kingdom to help her out when she is attacked on the Colonialism issue. There have been some very nasty attacks in the U.N., led in every case or stirred up by the Soviet Union; attacks on Britain and France as colonial powers, when these two great nations have been launching nation after nation; think of the nerve of the Communists in spearheading attacks of this kind, particularly when you look at what they have done in Estonia, Latvia, Lithuania, and so on. I have attacked the Soviets in the U.N. on this point, largely for the purpose of defending and trying to help the British beat off the attacks which have been made on them. Canada has an obligation to do no less, and we suggested at the Prime Ministers' conference that so had the other members of the Commonwealth.

Canada has a great responsibility for maintaining the Commonwealth and developing it.. Don't take it for granted. Nothing can continue long if it is taken for granted. I know that the members of these two great clubs will see to it that in Toronto the new Commonwealth will not be taken for granted. It needs a lot of maintaining. It needs a lot of help, new ideas must be worked out, and I urge that you make this one of your main endeavours in the work of the clubs.

Then a word about the United Nations. It is of great size, one hundred and ten nations. Many people are critical of it, but it is a wonderful forum for the expression of world opinion; it is also a great place for obtaining an understanding of what other countries are thinking, and it is steadily increasing in value. I point out that in the Cuban crisis the United States and the Soviet Union got the issue into the United Nations very quickly. Here you had two great powers recognizing the importance of going to the U.N. I hope that U.N. will continue to grow in value, grow in importance. It has had a very constructive session this year. In my experience, delegations are largely made up of very responsible people. The president last year was an African, this year it is an Asian, doing a grand job, and just last week the Asian Acting Secretary-General was appointed on a permanent basis. The troika principle which the Russians put forward last year has been forgotten, at least for the time being.

Canada, of course, has always had a good record in the U.N. We have ties with the many groups in the areas I have mentioned. We have taken many initiatives, taken many initiatives this year; one, for example, with regard to the financing of the U.N. I think there has been no more active member, and I was very pleased to read a favourable report in the Globe and Mail about ten weeks ago under the heading "Canada and the U.N.", reporting a British journalist as saying: "When you come right down to it, the Canadian delegation is the best at the United Nations."

I am convinced personally that the U.N. is the hope of mankind. Don't ever write it off, don't ridicule it. It is an extremely difficult operation. Imagine 110 delegations there. But I repeat, it is the hope of mankind, and I would hope that you would lend your support to U.N. activities in Canada; do what you can to build up support here.

Finally a word or two about what I call basic Canadian thinking. We believe that the basic Canadian thinking on world problems at the present time should be to maintain our defensive strength and at the same time to try to reduce tension. I think they are equally important, maintaining strength and reducing tension. If there should be a nuclear war, a third world war, what this would mean would be sixty million people killed in the United States at the first strike, followed by other strikes and radiation, and so on. I feel we are dealing with the survival of mankind. Never have the stakes been so high in the world. This basic thinking explains why Canada is in the North Atlantic Treaty Organization. We don't believe in neutralism. I think a neutral Canada would be completely out of line with the character of the Canadian people. Not only that we would lose all our best friends by adopting a role of that kind. In the field of reducing tension Canada is active in the 18-nation Disarmament Committee now sitting at Geneva and has been ever since it was set up. As long as we keep up our defences, surely there can be no criticism of trying also to reduce tension. I think with the attitude being taken at Geneva, it may be possible for agreement to be reached to prevent further nuclear tests. As yet there has not been much progress on this question, but in Lieutenant-General E. L. Burns we have the finest expert on disarmament in the world today, and Canada will continue to make this work one of her main objectives. The United States has recently suggested an improved plan for world communications; there are possibilities of this great tension in the world being reduced, and Canada, of course, will do her part.

Canada in the world of today—what a fine part we have to play, not only now but in the years ahead. Sometimes I get a bit worried about whether Canadians really care what Canada does in world affairs, whether they are interested, and sometimes I am convinced that a great many Canadians are much too prone to criticize Canada. I have an article here from the Toronto Star, written by Celia Franca of the National Ballet. It is entitled "My biggest beef . . . Canada's beefing stunts her growth." And she ends up: "As an antidote I propose that one week of each month be designated "be tolerant of Canada week." There is a lot of truth in that article.

Have faith in our nation. If Canadians don't have faith in their nation I don't know who they can expect to have faith in it. A nation cannot play its part in the world if its people don't have faith in their nation. There is a need in these days particularly when things happen so fast and on such a wide spread scale, more need than ever for cool analysis, steady heads. It is very easy to stir up hasty action. You men in these two clubs are leaders in this community, and many of you are leaders throughout the nation. I know that you will do your full part to see not only that Canada maintains her place in the world, but that she continues to expand her efforts in this regard.

THANKS OF THE MEETING were expressed by Dr. H. Cruickshank, President, The Canadian Club of Toronto.

Christmas Meeting

with

THE YOUTH CHOIR OF ST. GEORGE'S UNITED CHURCH

Thursday, December 13, 1962

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: The Empire Club is pleased to welcome as its special guest on this occasion the representative of Her Majesty the Queen in Ontario, His Honour Lieut.-Col. J. Keiller MacKay.

At each of our luncheon meetings almost as a matter of form, we toast the Queen and sing, "God save our gracious Queen." Even though this is done as a matter of form, we welcome this opportunity to re-affirm our allegiance and loyalty to the Crown and to assure His Honour that this Club is dedicated to the purpose of preserving those ties that bind the British Commonwealth. As allegiance to the Crown is the strongest of the few remaining ties, may I, on behalf of our members, tell him that we are devoted subjects of the Queen and that we are anxious to do what we can to strengthen the loyalty of all Canadians to the Crown.

May I also compliment His Honour on the excellent manner in which he has occupied the post of Her Majesty's representative during the last five years. I hope that he will also convey our compliments to his charming wife, who was unable to be with us today. She has been most gracious and efficient as an assistant and consort to Your Honour in the performance of your many duties. We are very proud of both.

His Honour the Lieutenant-Governor made a suitable reply.

We also welcome to this annual Christmas Party all our guests—the wives, families and friends of our members.

One of the objects of holding this luncheon each year is to have our members and their families capture and remember the real purpose of Christmas. It is a joyous and happy occasion for everyone but also it is the most important Holiday of the year, set aside to remember and celebrate the birth of a Man who lived on this Earth nearly 2000 years ago. For a brief period therefor, I ask you to put to one side the commercial aspects of Christmas, the worry about family gifts, the greeting cards that may be overlooked, the worry about family gifts, the greeting cards that may be overlooked, the social engagements, and try to absorb some of the real spiritual atmosphere of the Christmas season.

"It is my pleasant duty at this time to present to our immediate past president, Dr. Z. S. Phimister, a scroll to commemorate his year as the President of this Club.

Dr. Phimister is the Director of Education for the City of Toronto and the Club was extremely fortunate to have a person with his outstanding abilities and wide experiences to preside over its affairs. He personally overcame many difficulties which threatened to disrupt the regularity of our meetings and in this connection I refer particularly to the strike of the employees of the Royal York Hotel which lasted for almost a year. The Hotel was able to provide us with good service during this period but the strike compelled a great many of the persons invited to address us to decline invitations or to cancel engagements.

"However Dr. Phimister was able to cope with all such difficulties—and on behalf of the members of the Empire Club, I now present to him this scroll in appreciation of his great service to us throughout the year and to commemorate his year in this high office."

The scroll was then read and presented.

Introduction of The Youth Choir of St. George's United Church under the leadership of Mr. Lloyd Bradshaw, Organist and choir master.

"THE WINDS OF CHANGE IN THE NEW NATIONS"

An Address by

ROY H. THOMSON

Chairman, Thomson Newspapers Limited

Joint Meeting with the Canadian Club of Toronto

Monday, January 7, 1963

CHAIRMAN: Vice President of the Canadian Club, Mr. Donald M. Deacon.

MR. ROY THOMSON: It is just nine years ago, almost to the day, that I departed these shores for a new life in Britain. In those nine years I have re-oriented my thinking completely in terms of world affairs and, to a large extent, with regard to the British Commonwealth. As I see things now, I realize how difficult it is for Canadians, perhaps because of living in the shadow of such a dominant world power as the United States, to take a realistic view of just what is going on in the world, and the part that Canada should, and largely is not, playing in world affairs.

Yet Canada, and Canadians, are accepted everywhere because we are neither of the old school of military imperialism, like the British, French and Germans, nor of the new school of American dollar imperialism. We are not self-seeking, our viewpoint is detached and we are completely acceptable. It is for that reason that I am grateful for this opportunity of talking to my fellow Canadians and telling them something about Britain, the British Commonwealth, and the world in general, from a background of experience which I did not possess nine years ago, after a life completely spent with Canada as my horizon.

Today is unique in the history of the world. New nations are being born almost monthly. New alliances are being forged and old ones discarded. Hundreds of millions of people are acquiring freedom. It is a fascinating picture which is unfolding in the formation of these new nations. By their own choice they have literally cast themselves adrift from their previous protecting power. They must develop their national life under new and untried statesmen. They seek new paths of government and face problems of the greatest magnitude. There is no parallel in history for this voluntary transfer of power. What makes it all the more remarkable is that it did not come about by defeat in war or by revolution. In most cases it is Britain who has freely and honourably granted independence to these peoples as soon as they were ready to make use of it and, in many cases, even sooner.

This is the Commonwealth as we should see it. It is the only truly successful experiment in the evolution of peoples to freedom; the only place where nations achieving independence have retained democratic forms, under enormous handicaps of poverty and illiteracy. But the hold of democracy on uneducated and emotional people is precarious and we, the older and more mature countries, must give leadership. The British Empire, in one sense, came to an end with the Statute of Westminster in 1931, and even this only formalized the substance of the Balfour Memorandum of 1926. The countries whose independence was thus recognized were all those whose inhabitants were of European stock, but since the war—and more particularly of recent years—the legalistic ties have been dissolved on an almost complete scale.

The Empire has been replaced by the Commonwealth, an association of free peoples whose precise nature is difficult to define and which is often not understood by outsiders. What *really* links it together is a common philosophy of government, which basically consists of a belief in the dignity of the human being and in the rights of the individual. This operates through three institutions—a democratically-elected legislature, an independent judiciary, and freedom of the press and other means of mass communication. Sharing the great heritage of the English language, we are in a special and fortunate position to play an important role in world affairs. The English language, though it is not always everybody's first language, is the usual common medium of intercommunication. This was the part played by Latin at the time of the dissolution of the Roman Empire nearly twenty centuries ago. But because most people, though they spoke Latin, could not write it, that language fragmented into a number of different dialects which eventually turned into languages of their own, none of them understandable by speakers of the others (French, Italian, Spanish, Roumanian). If the function of the English language to act as a cohesive element among the free peoples of the world is not to be similarly dissolved, it is not sufficient that it should be spoken. It must also be written and read by mass populations, not just by a small elite. This reinforces the need for highly-developed media of mass communication, as a major factor in promoting a high level of literacy.

Communication is surely the spine of civilization. The needs of developing countries are, above all, education and national integration. For both, mass media are all-important weapons. In these new nations there are hundreds of millions of people who must needs be educated and through education comes the growth of intelligence. It is my opinion that orthodox methods of education will be too slow and will not develop quickly enough to cope with the immediate need. We have got to show WHY democracy is preferable to other ideologies, WHAT the benefits are of living under a democracy. We have first to make people understand, and then aggressively want, the advantages of free enterprise. Obviously, communications have a vital role to play.

It has taken us several centuries of education and experience to develop our intelligence to where it is today. It has taken even longer for the world to acquire its sense of nationhood and interdependence and longer still to inculcate in us our appreciation of the benefits of democracy.

All these objectives must be accomplished in these new nations in a fraction of this time, certainly in not more than decades where it was centuries for us. Remember these new nations are battlegrounds of the Cold War and in the battle of ideologies time is not on our side. We must show these new nations that our system of life is best, that in the long run they will benefit most by being democratic and living under a free enterprise system. It is our responsibility to prove all these facts to them—and do it quickly.

The Industrial Revolution, which took place in the western world during the late eighteenth and early nineteenth centuries was made possible, the historians tell us, by the change from a "subsistence" to an "acquisitive" economy—that is, people were no longer content to keep alive, as their grandparents had done, but started *wanting* things, and trying to better their condition.

If the emergent nations are to increase their standard of living, as they must do, and also keep pace with the population explosion—their peoples must learn to want the good things of life, and to want them sufficiently badly to be prepared to work to get them, and to change their traditional patterns of life in order to make this work efficient. This cannot be accomplished without modern media of mass communication. Nor can it be accomplished without adequate advertising facilities, since advertising is an assential part of distribution and distribution is the most effective generator of production. If people want consumer goods badly enough, they will work to get them, and will work at producing them. Forced labour, industrial direction and secret police are inefficient, inhuman, and to intelligent human beings, completely unacceptable.

Making free institutions work has nothing whatever to do with either race or colour. It is a matter of education and the experience and intelligence that comes from such education. Free institutions can never work in any community whose people have not learnt to be tolerant and considerate of the opinions of others and to be just to those who oppose them. The essence of democracy can be summed up in the phrase, "Do unto others as you would be done by." This is difficult to put into practice, for the application neither comes easily nor naturally to men. It is instinctive in the human animal, whatever his pigmentation, to react vehemently and intemperately against any view strongly contrary to his own and to act without justice towards those who for any cause he distrusts or fears.

This is the reason why so many of the inhabitants of the vast and still organically un-united region, the Belgian Congo, are as yet unable to make a parliamentary and democratic system of government work without disastrous results to themselves. It is not because they are dark in colour or of African descent, but because they have never been educated for this difficult exercise in self-discipline. Before they can hope to operate such a system without unloosing, as they have done, murder, arson, rape, mutilation and genocide, they have to learn to be tolerant and just towards those from whom they differ.

Colour discrimination exists because people refuse to think. The pigmentation of men's skins differentiates them from one another in nothing but colour. What causes them to differ in behaviour and character is their antecedents and education. What the world needs today, black and white alike, is to rid itself altogether of the habit of thinking in terms of colour, and to judge a man, whether he be black or white, brown or yellow, or just a mixture of all four, solely by this character and capacity.

Have you ever considered what we would be like if our parents had been completely ignorant and unable to teach us the basic facts of life and start us off on the right path? Supposing we had never observed, during our lifetime, the actions of other intelligent people. Supposing we had never had any education and learning which greatly increased our intelligence. Or had lived in a backward economy where we could not watch the progress of events and take advantage of the example set to us by others. If this had been our background, we would not be very intelligent ourselves and we must realize this is the great handicap that these new nations have to overcome.

I am completely convinced that something constructive must be done to hurry along the development of these emerging peoples. I believe this can best be accomplished through mammoth help in the development of their mass media of communications. We in Canada, Britain and the United States are particularly fitted to give this kind of help and we must do so. There are great economic problems in connection with the establishment of a free, truthful and objective press, and television stations imbued with that same sense of integrity. Generally speaking, in these new nations, such ventures are not viable. Revenues are not available to adequately support them: It inevitably follows that if these peoples are to have mass media of quality and integrity, they must be supported. In the initial stages, they have not the momentum towards success that is usual in the more developed nations.

It is with this purpose in mind that I recently announced the setting up of the Thomson Foundation. With the complete consent of members of my family, who are my heirs and partners in my various businesses, it is the intention to place in this Foundation securities to a value of some $15 million. This will be available to assist in the development of mass media in these new nations. The purposes of the Foundation are many and the ways they will operate to advance these purposes are manifold.

I have observed that one of the great requirements for the establishment and carrying on of newspapers for these emerging people is training for their personnel. They have to have technical help in purchasing their machinery and laying out their plant. They must have men trained to be competent journalists. Training must be available in business management and the selling of advertising, to make the Press as self-supporting as possible. All these purposes, and many more, will I hope be served by the Foundation. Undoubtedly financial help will be required to get many of these newspapers started and to keep them in existence as they develop.

I give television an important role in what is really an overall plan of development of education and learning because this is in effect what the whole programme is designed to accomplish. Training must be given to local personnel in all phases of television, from the production of programmes through the engineering operation of the stations, to the various aspects of business management. To this end we have already established a television college near Glasgow. It will be operating in the spring and we believe will turn out trained personnel of high calibre who will be available to aid the development of television on a sound basis in their own countries.

High on the list of priorities will be the establishment of journalistic training centres, because I consider it is of prime importance that these newspapers should be honest in every sense of the word. In this great development, nothing in my opinion is more necessary than the establishment of an honest, informative and truthful press allied with television stations, magazines and books all imbued with these same qualities of integrity.

In many of these new countries education will be compulsory. Millions, tens of millions, of youngsters are learning to read and write. What are they going to read? Lying, dishonest propaganda? World and local happenings distorted and twisted? Our type of life misrepresented? Or are they to have constantly presented to them the way of life which we know has brought us such happiness and prosperity and such a high standard of living? Are they to have an honest, factual account of what is really happening in the world? Honesty in the press and in other communications media will not just happen. Personnel must be available, trained in our tradition of complete objectivity and integrity. I think this training can only be made available through a charitable non-profit-making foundation, such as the Thomson Foundation. I am sure what the Thomson Foundation can accomplish in that respect will have a great, continuing and constructive effect on the development of these new nations.

I know, from my own observation, that we, who live in enlightened, progressive and free countries, do not realize the problems that are involved in raising the standards in these nations. Generally speaking, we have no conception of what I consider is our responsibility in this work. We must join doctors, scientists and engineers in helping to raise the level of emergent peoples. We must pass on our know-how and experience in whatever work we are engaged.

In connection with the development of mass media, there are political difficulties which are formidable. Anyone attempting to set up media in former colonial countries is usually suspected either of political interference or of economic imperialism. Television in this respect has an easier time than newspapers, because television can get along without comment. Newspapers cannot. It has been my experience that comment, however fair and unbiased, always has the worst motives read into it. If editors criticize the Opposition, they are accused of being in the Government's pocket. Conversely, if they are critical of the Government, the heat is turned on them in many ways, both obvious and subtle. Suppression is an ever-present threat; much political news can be censored at the source and restrictions imposed on publication. All this we will have to live with for some time, but I am convinced that if media are run honestly and fairly, we will ultimately gain acceptance by governments and peoples alike. A great help towards this end will be the services which media can provide in the purely social fields such as hygiene, child care, agricultural techniques and social education generally. This is a field in which the possibilities for good are limitless.

An important aspect of running media in under-developed countries will be the image these countries get of the West. If we do not sermonize or condescend, but concentrate instead on dispassionately passing on technical and scientific knowledge and the fruits of our political and social experience, providing them, as it were, with the distillation of our practical experience without them having to make the mistakes we made in acquiring it, we will have gone far towards getting them to accept the concepts on which are based the liberties and achievements of Western civilization. My organization has set up television studios in eight overseas countries already, and we are negotiating in many more. Usually we set them up and operate them for a period of years, and then hand them over to the countries concerned.

In conclusion, let me make myself quite clear on one point, if the Thomson Organization goes into the newly-emergent countries of Africa, Asia and the Caribbean in order to promote newspapers, magazines and television stations, this is because we feel we have a technical job to do. We do not regard it as our function to use these media in order to interfere in their social or political affairs. This is not our business, any more than it is the business of an engineer who builds a hydroelectricity plant, what food is cooked with the electricity he provides. All we insist on are the two basic principles of Thomson newspapers' instructions to all executives:

1. Operate your newspaper in the best interests of the people of your community.
2. Tell the truth and report all news and happenings factually and without bias.

There are a lot of reasons why people may choose to run newspapers, including the desire for personal prestige, a lust of political power, and other forms of megalomania. I run newspapers because this is the job I know best, and I try to run them in whatever way makes them of greatest service to the community. This means being of service not only to their readers but, through the advertising medium they provide, also of service in facilitating the trade and commerce which are so vital a part of community life.

In fact, apart from the two basic instructions I have already quoted, I do not, so far as editorial matter is concerned, run the newspapers at all, because if I did they would fail in what I regard as their proper task. A newspaper is a living thing, owing its existence to an unwritten contract between itself and its readers. Now, if the relationship thus established is a healthy one, the newspaper should be viable and, in the long run, profitable, so you have no justification for changing, unilaterally, its contract with its readers—that is, its editorial policy and style. If a newspaper is losing money, the chances are that its business management is not working at full efficiency, so you try to put that right first. When you have done this, if it is still running at a loss, you then have to ask yourself whether it is filling any real need, and if you come to the conclusion that it isn't, then you either close it down or send it off on a new editorial tack. Your readers having already withdrawn from their side of the contract, you are entitled to do so on yours. But otherwise it is my firm belief that a multiple publisher has no justification for interposing his own personality between his newspapers and their readers.

Finally, let me say that in launching and maintaining our programme for the new nations, we will have to endure a good deal of suspicion, misunderstanding and conflict in these days of the winds of change. But the role of educator is a role which responsible persons dare not shirk. In a world of tension, with disbelief and suspicion so prevalent, education should not so much be a matter of lofty abstractions but of earthy practicability.

And in this hope, and indeed essential need for mankind, the Thomson Foundation will, I can assure you, play a vigorous part.

THANKS OF THE MEETING were expressed by Mr. J. Palmer Kent, Q.C.

"THE CHALLENGE OF 1963"

An Address by

CLAUDE JODOIN
President, Canadian Labour Congress

Thursday, January 17, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.
MR. KENT: It is a great pleasure to introduce to you the Voice of Labour in Canada today in the person of Mr. Claude Jodoin, who has been the head of the Canadian Labour Congress since it was founded in 1956. We are all vitally concerned with the economic growth of Canada and in Labour-Management Government co-operation as a means to bring about that growth. We, therefore, welcome this opportunity of learning the viewpoint of labour. No one in Canada is better qualified to address us on this subject than our Speaker today.

Mr. Jodoin was born in Westmount, Quebec, where he received his early education. Later he took a classical course at Ste. Marie College and at Brebeuf College in Montreal. He became an organizer for the International Ladies' Garment Workers' Union in 1937. Since then he has climbed steadily in the ranks of labour organizations. For two periods, 1940-1942 and from 1947-1954, he served as a member of the Montreal City Council and from 1942-1944 he was a member of the Quebec Legislature for Montreal St. James.

He has been president of the Montreal Trades and Labour Council and was elected president of the Trades and Labour Congress of Canada in August, 1954. He has also shown a keen interest in combatting racial intolerance and has been active in international labour organizations. Since 1949, he has been a member of the executive board of the International Confederation of Free Trade Unions and was a member of the Governing body of the International Labour Organization from 1951-1960.

Recently he retired as one of the labour representatives on the National Productivity Council claiming it was a barrier to effective co-operation in seeking solutions to Canada's Economic Problems. He addressed our Club on February 7th, 1957, shortly after the founding of the Canadian Labour Congress, which is the central body for a large number of unions in Canada all of which retain complete autonomy. Last spring he agreed to address us again but this was postponed on account of the dispute between the owners of this hotel and its employees. We all regretted that dispute and are delighted that it was finally settled so that we could welcome our distinguished guest today.

His subject is: "The Challenge of 1963".

MR. JODOIN: It is almost exactly six years ago that I last had the pleasure of addressing you. I recall that I tried to place some emphasis on the necessity for greater efforts toward improved labour-management relations. My remarks today may be regarded as a progress report. I'm sorry that there is not more progress to report but I think, as we enter this year of 1963, there are some indications of what may be improvements over 1957. I would like to examine these briefly with you this afternoon and consider just where we go from here.

In 1957 we in the labour movement, as well as many others, were concerned with the possible effects of automation. That concern is still with us, in fact in some respects it has deepened. When I spoke of this at our last meeting I used these words: "The glib suggestion that such developments always result, in the long run, in more jobs is, I suggest, merely a method of trying to avoid more immediate and pressing problems."

Developments in the past six years seem to indicate that these may not be only immediate problems but they may be of very long duration. We feel that experience of the past six years has borne this out. These smooth promises of automatic benefits from automation remain unfulfilled.

This does not mean that we are opposed to automation. We think scientific advances, such as those demonstrated by automation, are inevitable; and they can, in fact, bring great benefits to humanity. But with them come new problems and challenges. The theme of my remarks to you today is that we can only meet these challenges and we can only reap these benefits if we do it through the co-operative effort of all sections of society; and particularly through the co-operative effort of labour and management.

There is great danger in adopting the complacent attitude that automation, and all that goes with it, is merely an extension of the changes we have seen in the past. There are significant differences in the changes we are experiencing today and they will be reflected upon the lives of individuals and upon society itself. Almost everyone who has made a serious study of the effects of automation has referred to the effect on employees, individually and collectively. This is using the term employee in its broad sense because we all know that there can be marked effects on employees who have management responsibilities. I am sure some of the cartoons of employees being introduced to a robot as their new manager must have given management people some cause for reflection.

Mr. David Grenier, financial editor of the Telegram in this city, recently made reference to the effects of automation in one of his columns. He used these words: "Let's not kid ourselves about automation: It can hurt—and hurt bad." And then he went on to cite two myths, and I quote him again: "Myth One: That workers displaced through automation can find other jobs elsewhere. Myth Two: That the automation industry itself creates enough jobs to offset lower demand for production workers." I can't say we always agree with the editorial views of the Toronto Telegram—it can hardly be considered a paper leaning to the left; but I must say I share Mr. Grenier's views.

I am sure most of you are familiar with the long lists of examples of the effect of automation on employment—the story of machines replacing people. It has been reflected in factories from one end of the country to the other. But there sometimes seems to be a tendency to think that the impact of automation falls only on the so-called blue collar, or production worker. It is true that the impact has fallen there with considerable force; but it is also being felt, and going to be felt increasingly, by the white collar worker. In 1900 one United States worker in forty was a clerk. By 1930 this had changed to one out of twelve. Today it is said to be one of seven, and there are predictions that this change in ratio will continue. This rapidly growing force of white collar workers, including many of senior categories, are going to be very materially affected by automation.

I said that these changes would have far-reaching effects. Some of you may be aware of recent changes in practices introduced by the chartered banks—they had to do with methods of short-term financing for personal as well as for business reasons. This practice, I am told, had become a matter of considerable convenience to some people who might occasionally have cause to overdraw their accounts. It was abruptly withdrawn. I trust none of you gentlemen were inconvenienced. If you were, then you can thank automation because we were told that improved methods in handling the processing of records was the main reason behind this change.

We are also told that there are now machines which can handle 1,500 cheques a minute, compared to the previous processing of 1,000 an hour. Detail work that previously required days of calculation by junior engineers can now be accomplished in minutes by computers—and with greater accuracy. We are told that law clerks will no longer need to turn countless pages in law libraries in search of precedents. They can be provided mechanically. It would be possible to go on and on, but I am sure you understand my point.

Now it was said, and it is still said by some people, that automation will solve its own problems because men will be required to produce these new machines. This is true to some extent, but to some extent only. Automation feeds on itself and automation can be used, and is being used, to produce new automatic machines.

We are sometimes told that the impact of automation, especially in offices, will not be serious because there is always a heavy turnover of employees. According to this argument the introduction of machines simply means that new people will not be hired. This is surely an oversimplification. It means that instead of having the unemployed as a result of machines, we will have the unhired. These are the young people who would normally expect to find a place to work in offices. The greatly increased efforts being made to keep young people in school are an attempt to meet this condition. Certainly more education is a most commendable thing; but I need hardly remind you that these young people can't stay in school forever. Sooner or later they are going to be looking for their place in the labour force.

Another easy answer is that with automation leisure time will increase and there will be a much greater demand for services of various forms. This argument follows the line that as a result more people will be employed in the services. This may be true to a degree; but, I suggest, to only a very limited degree.

It requires little more than a casual look to realize that the services are being automated. Presumably, if people have more leisure time—and if they still have jobs—they will be inclined to travel more. Let's look at modern travel. If we go by car we are now expected by many gasoline companies to make out our own bills. If we travel by plane we find ourselves on constantly larger and faster planes with little change in crew requirements, and thus little change in employment opportunities. We find mechanical devices handling our baggage. In the hotel business we see an increasing trend toward do-it-yourself. We have self-service laundries and self-service dry cleaners. Our hospital employees' union in Vancouver reports that the ratio of service employees to patients is steadily dropping. They talk of a machine that will now wash, press and fold linen in six seconds. The introduction of automatic elevators replaced 40,000 people in New York City alone. And so I suggest to you that expansion of the service industries cannot be depended upon to provide an answer to the problems of automation.

And I am not sure that retraining is by any means a complete answer either. Certainly we need a retraining programme and we are glad that this is a matter that is receiving the attention of the present session of parliament. But it seems to me there are two points which we should remember about retraining: it is not a total solution; and it needs to be tackled with considerable care and forethought. I am sure you have heard, as I have, stories about people being retrained for non-existent jobs, or for jobs that would soon disappear. There is always a danger that pushing unemployed people into a classroom may seem to be an immediate solution to a difficult and embarrassing problem, and yet do nothing to solve our long-term problems.

Several of our unions have done some work in this matter of retraining. Let me tell you about one example. It concerns the meat packing industry and the study was made in Oklahoma City where a plant has been closed, leaving 350 people out of work. A task force was set up headed by a professor of economics, and this group combed the community looking for jobs for these people. They found that unemployed workers over the age of 35 could not even obtain an interview, much less a job. There were some opportunities in an electrical plant that was opening up and so the former packinghouse employees were offered the opportunity to retrain for these new jobs. Those wanting to retrain had to take certain tests to determine their possibilities. Out of the 170 who applied, only 60 showed promise of benefiting from retraining; and of these only eight were finally able to obtain employment.

Some people concerned with placement recently had something to say about the situation here in Toronto. Mr. John Purdy of the National Employment Service said there were not enough jobs for Grade 12 and 13 students. Those with lower grade standing were in an almost hopeless situation in looking for work. And so it seems apparent that we need to take a long hard look at all aspects of education. I hope I have not sounded too gloomy in what I have been saying. I have spoken of these matters merely to draw your attention to the situation we face and to emphasize again the necessity for all of us to work together toward a solution.

During the past year we have been very forcibly reminded of our situation in relation to world trade, and particularly with regard to the competition of European countries. We were formerly well ahead of most of these countries in regard to equipment and methods. We were, perhaps, rather too inclined to take our superior position for granted. On the other hand, these countries have been well in advance of us in regard to labour-management relations. Now they are rapidly catching up, in some instances they have passed us, in the matter of equipment and methods. But we are making much too little progress toward catching up to their standards of labour-management relations.

I spoke of my remarks today being a progress report. The chief progress I can report is what seems to be a growing awareness of the fact that something needs to be done to improve labour-management relations. There has been evidence of this from several quarters, particularly during the past year. In particular there was the study mission sent abroad by the National Productivity Council. You may be aware that we have had our differences with the National Productivity Council. We are hopeful that steps may be taken to remedy this situation and certainly we feel that the mission which went abroad last year was a very worthwhile effort.

The mission was composed of management, labour and government representatives and they visited six European countries. The mission presented a report which, we hope, may mark a turning point in industrial relations in Canada. Naturally, from a labour point of view, we were greatly interested in the mission's findings as far as trade unionism is concerned. Let me read you just one paragraph from the report on this topic:

> In most countries visited there is full acceptance of the principle of union recognition by the employers' organizations and by governments, and indeed central labour bodies are accepted as the official spokesmen for labour. In certain countries, such as Sweden, Belgium and Britain, a very high proportion of the labour force has membership in strong and independent unions. Employers generally recognize these strong, independent unions and recognize the important role of such unions in the social and economic life of the country.

Of course we have always felt that one of the difficulties we face here in Canada is a comparative lack of organization on the employer side. Labour people seem to be better organized than management people. This would appear to be borne out by the findings of this mission. The report says:

> In Europe, employer organizations have been highly developed and play an active and important role in negotiations with organized labour, and in various activities concerning industrial well-being and economic expansion and co-ordination. They are recognized by governments as being important instruments for indicative programming and for implementing industrial, social and economic policies.

Far be it from me to interfere with your affairs, gentlemen, but I know most of you are employers and if you would like us to help you with our considerable experience in organizing we would be glad to be of assistance.

Let me bring these two comments by the mission together in this final quotation from the report:

> In particular, the Mission was impressed with the notable spirit and desire of labour, management and government to achieve the social and economic objectives mentioned earlier in this report, without submerging their own real interests. This strong desire expressed itself in a willingness to temper self-interest in the light of those measures which are obviously for the common good and to work together on a variety of joint projects to study and implement measures to achieve economic growth.

I think we should be careful, in looking at the European situation, to avoid assuming that because certain measures work there they will work here. The situations are very different. On the other hand, I think that we should recognize what has been accomplished in these countries, most of which have experience considerably older than ours. There is undoubtedly much we can learn from them, and certainly their accomplishments can and should be an inspiration to us.

It disturbs me that there is so little progress to report in the face of what needs to be done. Time moves on, far more rapidly than most of us realize, and we have been wasting too much time in tackling this vital problem and in starting to build the kind of co-operation we must have if we are to develop our country to its full potential.

We on the labour side have been discouraged that our repeated efforts to bring about at least face-to-face discussions have met with so little response. We are now hopeful that we are about to see some change in this regard. We make no apology for the role we play as trade unionists. We believe that trade unions, through the process of free, democratic collective bargaining, have made a great contribution toward a better life for all in Canada—just as this process has in other countries.

We disagree sharply with those who express the view that unions may have been needed and have fulfilled a useful purpose at one time but that they are outdated in modern times. Let me say to these people that as far as industrial relations are concerned these are not modern times. We have in Canada some very good employers, and we have companies in which relations between employers and employees are excellent. We also have plants in Canada where employees are blocked and intimidated by every possible means if they try to form their union and enter into true collective bargaining. We have some employers in Canada who try to practise the paternalism of the 18th century. I say to you in all earnestness that those who try to block the march toward better labour-management relations are saboteurs of Canadian industry.

In the brief time we have had together I have been able only to touch on some aspects of the situation we face today; but surely it is clear that it demands the best of our skill and the best of our thinking. Canada, as an industrial country, will move forward in direct relation to the extent that we apply these skills and this thought in a co-operative way.

No group or section of our society has a corner on all the skills or all the ideas. Together we, as Canadians, have, I am sure, all that is required to give our country and its people the place it deserves. We in organized labour look forward to an opportunity to contribute fully to this end.

THANKS OF THE MEETING were expressed by Dr. C. C. Goldring.

"EIGHTEEN YEARS OF C.C.F. ACCOMPLISHMENT IN SASKATCHEWAN"

An Address by

HON. J. H. BROCKELBANK, M.P.P.
Provincial Treasurer and Deputy Premier of Saskatchewan

Thursday, January 24, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: The Notice of this meeting advised you that the speaker today would be Hon. T. C. Douglas, the National leader of the New Democratic Party, and formerly the Premier of the Province of Saskatchewan for almost 18 years. On Tuesday afternoon, he advised me that, on account of the debate in the House of Commons on Canada's defence policy that is taking place today and tomorrow, it was not possible for him to be here today. He explained that his party had been urging such a debate for some time and now that it had been definitely announced by the Prime Minister, he had no alternative but to cancel his arrangement with us. He asked me to express his sincere regrets to you and, in addition, he very kindly assisted in having a distinguished personal friend of his take his place.

That friend is the gentleman on my right, Honourable John Hewgill Brockelbank, a veteran minister of the government of the Province of Saskatchewan, who is now the Provincial Treasurer and Deputy Premier of that Province. It was only by flying here last night and returning during tonight that he could undertake this task. We are very much indebted to him.

Mr. Brockelbank was born on a farm in Grey County, Ontario. He moved with his parents to a farm west of Battleford, Sask., in 1911 and received his education in Saskatoon. He served in France and Belgium with the Princess Patricia's Canadian Light Infantry in 1917 and 1918. Elected to the Saskatchewan Legislation in 1938, he has been re-elected in every general election since. In the first government, headed by the Hon. T. C. Douglas in 1944, he was Minister of Municipal Affairs. Then Minister of Mineral Resources until 1962.

May I say to Mr. Brockelbank that we are interested in Saskatchewan. We know about the curling Richardsons, the great Regina Roughriders and also that there was some dispute last summer about the introduction of a medicare scheme. We know that by population it is the fifth largest province—that its population has decreased a little in the last 20 years but that its resources have increased considerably. Its development and prosperity is important to all of Canada.

Mr. Brockelbank is going to speak on the subject chosen by Mr. Douglas: "Eighteen Years of C.C.F. Accomplishment in Saskatchewan".

MR. BROCKELBANK: It is an ill wind that blows nobody good. It is my good fortune that your speaker for today is detained in Ottawa and I have the honour and privilege of speaking to you. For you that ill wind has not been so kind.

I wish to thank you for your hospitality and kindness. I am impressed today with modern travel. I left my home in Regina two hours after midnight this morning and I expect to be back in my home by midnight tonight.

The subject I am going to talk about today is very close to my heart but I will try to give you the hard cold facts of the case. The C.C.F. and its successor, the New Democratic Party, is a part of the world-wide democratic socialist movement. Twelve years after its formation the C.C.F. elected in Saskatchewan the first socialist government in North America.

Although this party has not yet elected another government it has had a profound effect on the structure, function and policies of other political parties in Canada. It is not unreasonable to say that people all across Canada have benefited because of the accomplishments of this C.C.F. government.

Critics are fond of repeating that the Saskatchewan economy has been stagnating, that Saskatchewan has been "lagging behind" other provinces and that the Saskatchewan people have been subjected to great amounts of compulsion and coercion. The facts are quite the contrary. Indeed, in many significant respects, Saskatchewan far from "lagging" has shown higher rates of growth than most other provinces. In addition many measures have been pioneered in Saskatchewan which have removed basic anxieties enabling her people to pursue richer and more wholesome lives.

To demonstrate this we have, where possible, relied upon official Dominion Bureau of Statistics and Saskatchewan Economic Review reports to compare conditions that existed in 1944 and those that prevailed in the latest year for which official statistics are available. In some cases official statistics do not go back as far as 1944. In those cases, the earliest available figures have been used.

In 1944, less than 18% of the net value of commodity production in Saskatchewan came from outside agriculture. By 1960 this had risen to over 50% even though 1960 was one of the better years for agriculture. The net value of non-farm production was in 1960 more than 5 times what it was in 1944.

Far from "stagnating", non-farm production has grown faster in Saskatchewan since 1944 than in any other province except Alberta and more than twice the national average. In terms of the rate of increase from 1944 to 1960, Saskatchewan ranks highest of any province in mining, second highest in manufacturing, second highest in electric power and third highest in construction.

The growth in mining has been particularly spectacular. The net value of mineral production in Saskatchewan has increased about ten-fold between 1944 and 1960, *the fastest rate of growth of any province,* more than twice the rate of increase for all Canada. Since 1960 Saskatchewan has started to produce potash which adds even more to this impressive growth. In 1944, Saskatchewan ranked sixth among the mining provinces. Today it is fourth.

No one will claim that Saskatchewan is an important manufacturing province. It isn't. At least not yet. But it is not nearly as far behind as it was in 1944. The rate of increase in the net value of manufacturing in Saskatchewan is second only to that in Alberta and considerably higher than the national average.

Political opponents take delight in saying that there are very few more employees in manufacturing in Saskatchewan now than in 1944. This is true. *But this is also true for Canada as a whole.*

From 1944 to 1960, manufacturing employees in Saskatchewan increased from 12,361 to 12,918, an increase of 4.5%. For all of Canada manufacturing employees in 1944 numbered 1,223,000. In 1959 the total was 1,304,000, or less than 7 % more.

It is of interest to note that approximately 2,000 of the 12,000 manufacturing employees in Saskatchewan in 1944 were engaged in war-effort sawmill operations. A Saskatchewan Royal Commission on Forestry determined that at the rate of cut in existence then, Saskatchewan's timber resources would be depleted in a few years. To protect the future of this industry the government set limits on production on a sustained yield basis resulting in a reduction of approximately 1,800 employees in this particular industry. An increase of 4.5% in the number of manufacturing employees in Saskatchewan as compared to less than 7% for all of Canada is rather remarkable in view of the tremendous decrease in employment in this one industry.

The productivity per worker in Saskatchewan manufacturing industries in much higher than the national average. Expressed in terms of "net value of production" *per worker* in manufacturing, the increase nationally in the period 1944 to 1960 was 147%. During the same period, productivity per manufacturing worker in Saskatchewan increased 181%, the fastest rate of growth of any province. In 1944 Saskatchewan was fourth in terms of productivity per worker exceeded by British Columbia, Alberta and Ontario. *In 1960 Saskatchewan stood first amongst the Canadian provinces.* In other words, while the productivity per worker in Canadian manufacturing was about the same in 1944 as in Saskatchewan, *by 1960, the net output per worker in*

Saskatchewan was running 14% higher than the national average and growing at a faster rate than in any other province.

Next to mining, construction has increased most rapidly in Saskatchewan, increasing almost six-fold in terms of net value of production from 1944 to 1960. Saskatchewan ranked third in terms of rate of growth in construction being exceeded by Manitoba and Alberta but the differences among the three were not very great.

Again in electric power, the sinews of industry, Saskatchewan has shown a phenomenal rate of growth increasing almost four-fold from 1944 to 1960 and at almost twice the national rate. Only Alberta exceeded Saskatchewan's rate of growth during the period.

The number of domestic users of electric power in Saskatchewan rose from 58,089 in 1944 to 215,732 in 1960, an increase of 271%.

Agriculture is the most vulnerable point in the Saskatchewan economy. First of all, there are very considerable year to year variations in production due to the weather. For instance, wheat production in the post-war period has varied from 449 million bushels in 1952 to an estimated 124 million bushels in 1961.

Secondly, by far the greatest part of Saskatchewan's agricultural production is shipped outside the province. Grain in particular is generally exported outside Canada. Thus the return to Saskatchewan farmers is determined in a market over which they have no, or little, control. This has been reflected in the fact that the price to the Saskatchewan farmer for a unit of production is very little higher now than it was in a post-war year like 1947 (and is considerably below the post-war peak of 1951) while the general price level has advanced considerably.

As a result of these two factors, the net value of agricultural production has, in the post-war period, varied between a high of $810 million in 1952 to an estimated low of $181 million in 1961. There is no doubt that this variability due to weather and depressed farm prices has had considerable adverse effects on the Saskatchewan economy. That in spite of this the industrial advance in Saskatchewan should be so considerable must be regarded as a remarkable achievement.

The agricultural cost-price squeeze has made it extremely difficult to maintain an adequate standard of living from farming. There has been a simultaneous technological revolution in agriculture. This problem has been extremely acute in Saskatchewan and has demanded considerable attention from the provincial government. Some measure of success in meeting this problem is reflected in the fact that in 1956 only 4,487 or 4% of Saskatchewan's 103,391 farms produced less than $1,200 a year, compared to 21% for all Canadian farms or less than ⅕ of the Canadian average. *Saskatchewan is third amongst the ten Canadian provinces in terms of the number of farms, but 10th in terms of the percentage of farms producing less than $1,200 per year.*

Saskatchewan's per capita personal income, the amount of money available to every man, woman and child, clearly illustrates the importance of agriculture to Saskatchewan's economy and also the beneficial effect of industrialization.

In 1962, a better than average crop year, Saskatchewan's per capita personal income is expected to be above the Canadian average. It is estimated at $1,673 per capita or an increase of 163% over 1945. This compares with $1,184 per capita in 1961, a crop failure year.

Saskatchewan's personal farm income in 1961 at $67 million was the lowest it had been since 1941, yet Saskatchewan's personal income per capita in 1961 was 290% over what it was in 1941 compared with an increase for all Canada of 203% during the same time period. Despite the worst crop failure in 20 years, Saskatchewan's 1961 per capita income increased 86% over 1945.

The opposition has tried to claim that investment has lagged in Saskatchewan. The truth is just the opposite.

Official D.B.S. investment figures only go back to 1948. In 1948, in terms of private and public investment per capita, Saskatchewan ranked only sixth among the provinces and was almost 20% below the national average. Alberta, British Columbia, Ontario, Manitoba and Quebec, all were ahead of Saskatchewan. Saskatchewan was ahead only of the Atlantic Provinces.

In 1962, on the other hand, Saskatchewan was third exceeded only by Alberta and British Columbia and was

11% *above* the Canadian average. In this period (1948-62), public and private investment has grown at a rate 10% greater than the Canadian average.

Well, then, the opposition says, if there has been so much industrial advance why has the population of Saskatchewan grown so slowly? The answer, of course, is that they are looking at the wrong figures. They have looked at total figures which include farm population when they should have looked at urban population.

Farm population, as is generally known, has been declining throughout Canada and since Saskatchewan has the largest proportion of rural population of any province, the impact of this decline on total population has been greater in Saskatchewan than in other provinces. During the last twenty years the number of Saskatchewan farms decreased by 32,976 from 126,900 in 1941 to 93,924 in 1961. The average size of farms increased by 213 acres from 473 acres in 1941 to 686 acres in 1961, or 45%.

To examine the impact on population of industrial growth, one naturally looks at urban population. Here in recent periods, the rate of growth in Saskatchewan has been the second largest in Canada exceeded only by Alberta. For instance, from 1951 to 1956, its urban population increased by 27.5% as compared to 21.5% for all of Canada.

The Liberal Party has constantly blamed the C.C.F. government for the relatively slow rate of total growth of population in Saskatchewan. What they fail to mention is that Saskatchewan's population began to decline following the 1931 census. By 1951 this trend had been reversed with steady increases since that time. In the decade 1951 to 1961, Saskatchewan's population increased by 11.2% and surpassed the mark reached in 1931. This is significant when we compare it with population statistics of North and South Dakota—two American states just immediately south of Saskatchewan with the same topography and economic conditions as those in Saskatchewan. In the decade 1950-1960 North Dakota's population increased by 2.1% and South Dakota's by 4.1%. By 1960 neither state had the population they had in 1930.

The opposition has often claimed that the C.C.F. government has meant a big crew of so-called bureaucrats in

Saskatchewan. The truth is that far from having the biggest bureaucracy, Saskatchewan has one of the smallest in Canada. Of the eight provinces reporting, Saskatchewan ranks only fifth in terms of the number of civil servants per population and this in spite of programmes that exist in Saskatchewan for which there is no duplicate in other provinces.

Prince Edward Island, Newfoundland, Alberta and Nova Scotia are higher. Only New Brunswick, Ontario and Manitoba are lower. Quebec and British Columbia have refused to supply this information to the Dominion Bureau of Statistics.

Moreover, Saskatchewan's C.C.F. government has by far the best record of any provincial government on civil service reform. Under legislation introduced by the C.C.F. following a survey by the objective Public Administrative Agency of Chicago, a merit system for the appointment and promotion of civil servants was established. This is completely independent of government control. Under this reform, two divisions of an independent Public Service Commission were formed; a Classification Division to rank and rate every position within the civil service and outline the qualifications necessary for the job; and a Selection Division to administer the merit system for the appointment and promotion of civil servants.

In the fall of 1944 the C.C.F. government passed legislation extending bargaining rights to civil servants. To this day *Saskatchewan is the only province to grant civil servants collective bargaining rights with the Crown.*

Saskatchewan's provincial taxation is below the national average. In the 1961-62 fiscal year, Saskatchewan's per capita provincial tax was 11% below the national average ($88.01 as compared to $99.43). It was only a little more than two-thirds of the per capita provincial tax in Ontario and British Columbia and also lower than Quebec.

This is on the basis of comparable figures and does not include the taxation required for the medical care programme in Saskatchewan since in other provinces without the medical care programmes, an equivalent amount would be spent privately. However, even providing for what might be raised in a full year by the increase in the sales tax and income tax, Saskatchewan's per capita provincial tax would still be lower than British Columbia and Ontario. Even more important to recognize is that federal taxation per capita is more than *3 times* as high as Saskatchewan's provincial taxation.

Today Saskatchewan's per capita tax burden is third amongst Canadian provinces even when including the recent increases for medical care. There was a time however, when Saskatchewan's per capita tax burden was second (just below British Columbia) and well above the Canadian average. The year was 1943-44—the last year of Liberal administration in Saskatchewan. Between 1943-44 and 1961-62, per capita taxation in Saskatchewan rose 4.2 times while per capita provincial taxation for Canada rose by 5.8 times. During this time, New Brunswick was the only province which had a lower rate of increase and this stood at 4.0, only slightly lower than Saskatchewan.

The Liberal Party claims that since 1944 the Saskatchewan Government has introduced 600 new taxes and increased 600 others. While this is true of Saskatchewan and indeed, true of most other provinces, it is of interest to note just how these totals were arrived at. Fifty-one of the 600 new taxes were royalties on power and telephone poles of various heights and widths. Since 1944 there has been a $1 increase in 11th grade correspondence school fees. Accordingly, the Liberals list this as a tax increase. Hundreds of similar trivial instances can be found. It was in such a manner that the Liberals arrived at their grandiose totals of new taxes and tax increases.

The real measure of the debt burden on a provincial government is the net debt. This is the gross debt less assets. The opposition, however, talks about the gross debt of the province which was $517.3 million at March 31, 1962, as compared to $218 million on April 30, 1944. The point is, however, that the net debt has shrunk from $145.0 million in 1944 to about $22.6 million at March 31, 1962. Indeed, Saskatchewan now has the second lowest per capita net debt charges of any province. Only Alberta spends less on debt charges.

The financial record of the Saskatchewan C.C.F. Government is a remarkable success story and reveals sound business—like management of the province's fiscal affairs. Budgetary surpluses were achieved in 16 of the 18 years the government has been in office. Total budgetary surpluses amounted to $91,331,362. Total budgetary deficits came to $5,780,602, leaving a net surplus of $85,542,760. This surplus has been the major item in the reduction of Saskatchewan's net debt.

The opposition has attempted to create the impression that the story of Saskatchewan's Crown Corporations is one of failure and heavy financial loss. This is far from the case. The total deficit of those Crown Corporations which lost money was $1,850,000 but this has been more than counterbalanced by surpluses of $14,770,000 realized by other Crown Corporations established by the C.C.F., as well as surpluses of $46,790,000 on the two crown corporations in existence in 1944 which have been tremendously expanded under the present government.

School grants in fiscal 1962-63 will be $34,700,000 as compared to less than $3,000,000 in 1944. In 1962-63 school grants were $\frac{1}{12}$ times the total financial assistance given schools in the 11-year period 1934-44. Since assuming office the C.C.F. has contributed $257,383,000 to local ratepayers in the running of their schools.

Better salaries has increased teachers' standards resulting in better education for Saskatchewan's youth. In 1962 the average teacher's salary in Saskatchewan was $4,570 or a 291% increase over the 1946 figure of $1,167. A result of this is that the number of Grade 12 examination papers getting passing marks or better is continually increasing. The total in 1953 was 23,204; in 1955, 37,333. In 1962, the total reached 65,329.

In 1949 the government established a Student Aid Fund to assist students to obtain further knowledge after completing high school. To date 11,113 students have obtained loans valued at $3,489,895. In 1959 the Legislature voted to provide scholarships for Grade XII graduates proceeding to courses in institutions of higher learning. In 1962, 395 scholarships were awarded with a value of $178,700. To date 1,419 students have been given scholarships totalling $654,900.

In 1960 the Legislature voted to assist teachers holding

Standard Certificates to attend university and work toward a Professional Certificate. During the past 3 years $171,000 has been given 172 teachers under this programme.

Enrollment at the University of Saskatchewan has increased by 290%, from 1,530 students in 1945 to 5,971 students in 1962.

Provincial operational grants to the university were $4,143,000 in fiscal 1962-63 an increase of 702% over the $550,000 granted in 1944. Total operational grants since 1944 amount to $32,588,000. Facilities at the university have almost trebled in the last 18 years. Capital expenditures since 1944 amount to $30,930,000 making a total provincial expenditure at the University of Saskatchewan of $63,518,000.

The welfare of the people must be the first concern of any government. In Saskatchewan the government has carried this concern for the welfare of the people to a new high.

There are approximately 60,600 Saskatchewan people for whom the provincial government assumes complete or partial financial responsibility.

The senior citizen care programme is without parallel in Canada. 4,000 are accommodated in modern housing and nursing homes built by municipal, church and charitable organizations with provincial assistance. (More than 600 others live in provincial geriatric centres.)

In 1947 Saskatchewan led the way for Canada when it introduced a comprehensive Hospital Services Plan. In 1962 it again led the way with a prepaid medical care plan.

Since its inception the Hospital Services Plan has paid $330,168,000 in hospital bills for Saskatchewan citizens, increasing from $7,000,000 in 1947 to $38,106,600 in 1962. In addition, the plan has had a direct effect upon raising hospital standards and thereby improving health conditions in Saskatchewan. The removal of all financial barriers has resulted in an increase in the number of citizens receiving hospital treatment. *In 1960 Saskatchewan was first amongst the provinces in terms of the number of hospital admissions per 1,000 population being 49% above the Canadian average.* In 1946 Saskatchewan was third and only 29% above the Canadian average. The number of deaths per 1,000 admissions dropped to 20.4 in

1960 from 23.0 in 1946. Saskatchewan's position amongst the provinces in this respect improved to third place in 1962 from fifth place in 1946. In other words, *Saskatchewan far outstrips other provinces in hospital admissions and is at the same time reducing the death rate per 1,000 hospital admissions.*

Just as the Hospital Services Plan has improved hospital standards and the health of Saskatchewan citizens, so can it be expected that the recent Medical Care Plan will, in time, raise medical standards and increase the level of health of Saskatchewan residents.

In 1945 the province started to provide assistance toward the construction costs of general hospitals. *Saskatchewan now has the highest number of hospital beds per 1,000 population in Canada.* In 1944 Saskatchewan was fourth in this respect amongst the provinces and was below the Canadian average.

Saskatchewan had the first cobalt bomb for treatment of cancer in Canada. It has a free cancer diagnosis and treatment programme. We established the first air ambulance service in Canada. Close to 14,000 seriously ill or severely injured patients have been transported by air ambulance since the service began. Saskatchewan was the first province to provide free polio shots for all its citizens.

Saskatchewan has the most advanced labour legislation in Canada. Outstanding features of this are: highest basic minimum wage, most effective provisions for prevention of child labour and the best provisions for holidays with pay—three weeks after five years with an employer. Other provinces range from nothing to two weeks. It is the only province with 8 paid public holidays, collective bargaining rights for civil servants—again the only province with such provisions, equal to or better than other provinces in workmen's compensation, hours of work, fair employment practices, equal pay for women and the greatest assistance to apprentices and unemployed trainees.

The Saskatchewan Power Corporation power generating capacity has increased almost 1,500% since 1943 from 34,000 kw to 546,000 kw. Electrical customers (including customers in communities purchasing power in bulk) have increased from 71,887 in 1948 to 262,824 in 1961, an

EMPIRE CLUB
OF
CANADA

Hon. John P. Robarts, Q.C., October 4th, 1962

Deputy Commissioner George B. McClellan, R.C.M.P.
November 29th, 1962

increase of 266%. In 1944 only 293 farm homes were served by electricity. By 1961 this number had increased to 57,996. The total number of rural customers in 1961 is 162,201. Investment in the Saskatchewan Power Corporation is $382,000,000.

In ten years the Saskatchewan Power Corporation has increased its natural gas customers from 290 to over 88,000 in all cities and in 130 towns and villages. Purchases of gas from the corporation were $39,423,000 in 1961, an increase of close to 100 times over 1953 purchases of $423,000.

There has been a 332% increase in the number of Saskatchewan Government Telephones in the last 18 years, from 47,000 in 1944 to 203,000 in 1962. Steady progress is being made towards providing 24 hour service for all Saskatchewan Government telephone users. Ninety-seven per cent of the telephone users enjoyed 24 hour service in 1962 as compared to 91% in 1959. Automatic dialing systems are being installed at a rapid rate. To date 170,000 or 84% of S.G.T. customers enjoy automatic dial service. Financial assistance is given by the publicly-owned telephone system to rural telephone customers so that telephone service for farm families will be further improved.

Motorists in Saskatchewan have the protection of the most outstanding automobile insurance in Canada. They have the only automobile insurance provided at cost.

Because of the many unique features of the Compulsory Automobile Insurance Plan in Saskatchewan, not found anywhere else in North America, it is necessary to combine the coverages under the Compulsory Plan with the additional benefits provided by a Package Policy in Saskatchewan, to arrive at a basis of coverage which is comparable to that which might be obtained in the other provinces. Automobile Insurance rates in Saskatchewan are substantially lower than those in other provinces.

Increased provincial assistance in such fields as education and local roads has kept *Saskatchewan's per capita rural municipal tax burden considerably below the average for the five westernmost provinces.* This can be illustrated when one considers the rural tax burden on each acre of taxable land. *Saskatchewan's tax burden per taxable acre is 21% below that of Alberta and 37% below that of Manitoba.*

Saskatchewan's per capita municipal debt is the lowest of the five westernmost provinces. As a result Saskatchewan citizens pay substantially less in debt charges resulting in larger amounts of money available for providing needed municipal services.

In 1960 the provincial government embarked upon a bold new programme to provide water and sewer facilities for citizens in Saskatchewan towns and villages.

Better rural travelling while keeping the tax burden to a minimum has been a prime aim of the Saskatchewan government. In the past 18 years $59,210,000 has been made available to municipal authorities to build and improve grid roads, bridges and ferries. The importance the Saskatchewan government places on improving rural life is indicated by the tremendous increase in funds made available for this programme. In 1962-63 funds expended on the programme were $6,827,500 as compared to $546,300 in 1944-45, an increase of over 1,100%.

In the past, Saskatchewan was constantly criticized for the condition of its roads. When the C.C.F. came to power in 1944 they inherited a highway system with only 138 miles of dust free roads. Substantial progress has been made since then with close to *3,000 miles of dust free roads in Saskatchewan as of March 31, 1962.* It should be remembered when comparing various provincial highway systems that *Saskatchewan has greater total road mileage than Manitoba and Alberta combined.* Saskatchewan was the first province in Canada to complete its section of the Trans-Canada Highway.

I have probably bored you with statistics and what you may think is bragging. Is assure you I have kept to the facts. If I have bored you with these facts you will understand why I had to do so if you hear our opposition.

THANKS OF THE MEETING were expressed by Mr. Sydney Hermant.

“BUILDING A SEAPORT”

An Address by

ERNEST B. GRIFFITH, Q.C., B.COM.
General Manager, Toronto Harbour Commissioners

Thursday, January 31, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: It gives me great pleasure to introduce to you today a personal friend for many years, who has made a great contribution to the growth and development of our City in his position as the General Manager of the Toronto Harbour Commissioners.

Mr. Griffith was born and educated in Toronto. He is a Bachelor of Commerce and Finance from the University of Toronto, a member of the Bar in this Province and he was appointed a Queen’s Counsel in 1959. He joined the Harbour Commission in 1940, then after service in the Canadian Army he re-joined the Board in 1945 as a solicitor and was appointed secretary in 1946. He has been General Manager since 1951.

The Toronto Harbour Commissioners were incorporated in 1911. It has five members, three of whom are appointed by the City Council, and two by the Government of Canada. One of the Government appointments is made on the recommendation of the Board of Trade. Since 1911, it has been their task to develop a valuable port here as well as the Harbour Commission lands adjoining the port, and also to operate the Island Airport. With the opening of the St. Lawrence Seaway, the value of this Port to Toronto and the surrounding area has increased to an extent that few of us realize in spite of living so close to it. The Port is a gateway to Canada's richest area with the country's largest concentration of population and industry.

Mr. Griffith is an expert in this field of Harbour development in Canada and the United States. He was the first Canadian President of the International Association of Great Lakes Ports. He will now tell you much more about this as he speaks on the subject: "Building a Seaport".

MR. GRIFFITH: It is a privilege and honour to have the opportunity of speaking today to your club and to have as my subject—"Building a Seaport"—the story of the recent growth of the Port of Toronto. The Port is always grateful of an invitation to tell the public the story of its expansion to meet the new opportunities of the post seaway period. We welcome particularly an audience of businessmen, men who can route cargoes over the Port Docks, for since the new St. Lawrence canals were completed in 1959 it has become as important for us to "sell" the Port as it is for the Port to provide proper cargo handling facilities. And when such an audience represents businessmen dedicated to promoting the Commonwealth and with particular reference to the interests of Canada, I am sure you will realize how much the privilige is appreciated at this particular time in our history.

Our story goes back to a little further than the opening of the new canals in 1959. In fact we can start it prior to World War II when 2 lines—the Oranje and the Fjell—operated some 5 ships from overseas ports to the Great Lakes. This small service was, of course, suspended during the war and commenced again in still a small way after the cessation of hostilities.

At that time the impact of the overseas trade, an expression that must be used to differentiate from international trade which includes shipments to and from the United States of America and which made up the bulk of our Great Lakes trade, was not considered to be of major consequence on the Port's immediate prospects. This feeling was due to the indeterminable delays in reaching an agreement with our neighbours to the south on the construction of the new St. Lawrence canals. The then existing canals restricted passage to ships 240′ in length, 40′ in width and with a

14′ draft, a maximum carrying capacity of approximately 2,500 tons. The Toronto Harbour Commissioners during these years actively joined with the proponents of the "Seaway", as the new canals were to become known. Optimism and pessimism flowed in equal quantities and in frequent interchange, until the day the Canadian Government stated that it was prepared to build the canals alone.

Changes quickly took place. More lines and more ships entered the Great Lakes direct overseas business, some built to the specifications of the old locks but in such a manner that a new section could be put in the centre when the new locks were in operation. At Toronto the direct overseas trade went from 31,500 tons in 1950 to 288,000 tons in 1958, the last year when the small ocean ships had the business of the Great Lakes basin to themselves.

During this period those ports that wanted to offer the best service to their area, and capture a goodly share of this new business, started their expansion programmes. Unfortunately not too many started soon enough or built to reasonable expectations and some of the late starters badly overbuilt a situation that can cause as many problems as under-development. Fortunately, each area of the Lakes had a port with a progressive, sensible, business development programme.

In Toronto the timing of the Seaway was most advantageous. There was still space in the inner harbour, the area protected by the Islands, for new development and during the 1950's it was evident that your Port's lake trade was on the decline. Only Ontario Hydro's large shipments of coal for its new steam plant site in the eastern harbour section made cargo figures look constant in the mid-fifties. Our record year, prior to last year, was in 1956. In that year Hydro brought in nearly 600,000 tons and overseas tonnage was 165,000 tons. Oil was replacing coal for heating of homes and in certain instances commercially. Most oil products had started to move by pipeline and the expected competition from natural gas took place before the end of the decade. The importance of this change to the Port can be measured by the 1950 tonnage figures where coal and oil represented 2,600,000 of a total of 4,575,000 tons.

Thus, the new business of overseas trade came at a most opportune time and when a new total tonnage record was set for the Port last year, 5,489,194 tons, 1,031,885 tons of this figure represented overseas cargoes. In this period of growth the Toronto Harbour Commissioners constructed 4 large overseas terminals and provided 7 other new open berths for the larger ships, which now can measure up to 730′, 75′ in width, 25½′ draft and a carrying capacity of up to 20,000 tons. Included among these facilities is the Queen Elizabeth docks which Her Majesty graciously opened in 1959 after disembarking directly from H.M.S. *Britannia.*

A former coal dock has been converted to use by overseas ships at the east end of the Bay and appropriately named by the Commissioners after their first general manager—E. L. Cousins. The site for the next terminal to be constructed is ready on this same dock area. Negotiations have been underway for the next area of development for ocean ships —the docks being vacated by Canada Steamship Lines this year and which were preserved for Port use through the Commissioners' new by-law. Studies leading to further negotiations are near completion for the next area for development, and all within the present harbour. In co-operation with the Federal Government new dock walls have been constructed to serve the lands repurchased from the Consumers' Gas Company, creating a total of 3,000′ of dock wall and a new dockage area.

Thus, the impact of the seaway, over 1 million tons, with the new facilities completely different from lake shipping has been taken within your existing harbour and postponing the time for the construction of a $60 million new harbour in the lake. The harbour board's policy is an economical and efficient use of the present area before embarking on the costly new harbour, with no natural protection.

Other facilities have been created and I would like to refer specifically to the Port's new 300 ton heavy lift. This gigantic crane, featured by so many transportation and engineering journals and recently one of a series of pictures painted for *Fortune Magazine,* has already proven its worth to heavy industry in southern Ontario. We now know it will fulfill the prime objective of the Commissioners in its construction, to help develop sales in foreign markets for heavy machinery manufactured in Ontario. It has already handled a first for one large company, electric generators for Great Britain. And if someone really wants to import that famous hippo, the Port of Toronto can guarantee to lift it.

Our overseas trade commenced as almost exclusively import. One of the main selling objectives of the Commission has been to increase export cargoes moving over the Port's docks. This not only helps stimulate the Canadian economy but also makes the Port's position in world trade much more stable as we come closer to a balance of imports and exports. It is our objective to keep closing the gap. You would be interested in knowing that in 1961 our trade over the docks with the United Kingdom was 100,000 import tons and 134,000 export tons—last year 90,000 import, 132,000 export.

Many changes other than in physical assets have also taken place. I have mentioned earlier that we are now salesmen, competing for trade with as tough competition as any industry. A Port development philosophy that created the bare requirements, land and dock, has changed to also providing the facilities for this overseas trade. A Port philosophy of operation that accepted no responsibility for the use of the lands and docks is replaced by one of responsibility to the area. New services have been provided such as radar, berthing masters, voluntary pilotage services. Operations of the terminals has been undertaken for the thousands of consignees using the Port, thus releasing the stevedoring companies to concentrate on the job at which they excel, loading and unloading of ships. In order to give the most to our trading area and thus obtain the greatest use of our facilities, your Port is now in the port business in its full sense.

An example of the change that has taken place in the Great Lakes area is the formation of the International Association of Great Lakes Ports. The founding of this association was conceived and developed by your port representatives. Any previous effort had foundered on the rocks of narrow interests and a lack of appreciation of the needs of the area. The Seaway gave proof that Great Lakes ports must work together or pass the opportunities to the well organized eastern seaboard which in the United States of America forms a strong and influential lobby, aimed at restricting any lakes development. And these American ports are our competitors too.

With the Growth of Port labour, commission and private, with the large increase in visiting sailors from foreign lands, with the advent of the big city status, many more intangible, but I suggest important, changes are taking place on your waterfront. The attraction to organized crime is great. Uncontrolled, as you may have seen in some other ports, the results are disastrous. Many steps have been taken to keep Toronto a clean port, supervision, restriction of liquor outlets, such as taverns, development of recreational opportunities and a co-ordinating committee. This committee made up of the Roman Catholic Church, The United Church of Canada, The Anglican Church of Canada, The Lutheran Church and the Jewish Community, co-ordinates the work of the churches on the waterfront, administering to the physical as well as the spiritual needs. Around this committee revolves the hope for a waterfront centre that will co-ordinate all the factors that are and will be so necessary to a proper, clean, bright future for this international port. The Commissioners are giving all support possible to this group to accomplish its noble and essential purpose.

The possibility of a world trade centre excites the imagination. Your port is now international, its present and its future will fluctuate with changes in international conditions and trade. Its role in the community will bear a direct relation to its contributions to Toronto's growth as a trading centre. Its progress will depend on its ability to fulfill this obligation. At present approximately one-third of our trade is with commonwealth countries, with, of course, the United Kingdom involved in the largest portion of such trade. We must watch with keen eyes the political and economic changes that are brewing particularly in the European Common Market. It is in the role of assisting in promoting international trade that your Port can, and to the best of its ability will, play its major economic role. Lower transportation costs result from use of your docks right in your own city area, without transshipment at another Canadian or American port. Modern efficient facilities are and will be economically operated. A stable, well trained labour force dedicated to Port progress is gradually being developed. However, we must be prepared to face whatever price is placed on reaching this goal through trade disruption from time to time. All efforts will be made to help exporters and potential exporters to be competitive in all foreign markets, including the Commonwealth and the European Common Market.

The future of your Port is an exciting one filled with greater opportunities than at any time in its 300 year history. These are opportunities for expansion, for trade development, for contribution to the growth of southern Ontario, for leadership in the introduction of human factors into a port's commercial enterprise. These all mean a Port community of which we will all be proud.

THANKS OF THE MEETING were expressed by Mr. Paul Mills, O.B.E., Q.C.

"EXPANDING TRADE— THE POSITIVE APPROACH TO ECONOMIC GROWTH"

An Address by

ELLIOTT M. LITTLE, B.A.Sc.
President, Canadian Export Association

Thursday, February 7, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: Among our guests today may I welcome a group representing the Canadian Export Association. They have joined us to hear our guest speaker Mr. Elliott M. Little who is the President of that Association. In electing Mr. Little to that office, the Association has selected an executive who has had long and valuable experience in selling Canadian products in foreign markets.

On November 24th, 1960, this Club was addressed by Mr. R. D. L. Kinsman, who was then President of the Canadian Export Association. He delivered an interesting and most valuable address on Canada's International Trade. He urged the sale of more Canadian products abroad as a remedy for our lagging prosperity and serious unemployment problem.

As our export trade is of such great importance to business in this country, I was delighted to hear that Mr. Little could accept our invitation to have him appear here today.

From 1946 to 1958 he was president of Anglo-Newfoundland Development Company Limited of Grand Falls, Newfoundland and since then the Chairman of its Board. He was president and general manager also of Anglo-

Canadian Pulp and Paper Mills, Limited and of Gaspesia Sulphate Company Limited of Quebec and was Chairman of the Executive Board of the Canadian Pulp and Paper Association for 1952. He is also a director of the Montreal Trust Co., the Bathurst Power and Paper Co. Ltd. and of the Executive Fund of Canada Limited. Born at Beachburg in Ontario, Mr. Little graduated from the University of Toronto in 1925 in electrical engineering. Since then his efforts have been principally devoted to the Pulp and Paper Industry with Abitibi and the corporations already mentioned. In the first war, he served in the Royal Flying Corps and during the last war he became Director of National Selective Service.

Mr. Little has many capacities and duties—Life Governor of a Quebec Hospital; Governor, Superior School of Commerce in Laval University, married and the father of five children, member of several golf clubs, but it is in his capacity as President of the Canadian Export Association that he speaks to us today on the subject: "Expanding Trade —The Positive Approach to Economic Growth".

MR. LITTLE: It will be news to no one in this room if I state that in the past five or six years economic conditions in Canada have changed for the worse. Our buoyant rate of growth has slowed down to the extent that, since 1956, there has been virtually no gain in real output per capita. We enjoy the doubtful distinction of having the highest average rate of unemployment of any major Western nation.

Over-capacity in many industries has kept business capital investment, the main driving force of our expansion in the post-war period, well below the levels we became accustomed to in those earlier years. Indeed, we now find ourselves gazing enviously at the Western Europeans, whose pace of economic advance has recently so greatly exceeded our own. Who, in 1948, say, or even 1955, would ever have foreseen such a situation as this?

Moreover, there is another aspect of our contemporary affairs that is particularly distressing, and that is the sense of malaise—the loss of confidence and purpose—that afflicts the Canadian people at the present time. This phenomenon has been referred to in two outstanding speeches by prominent Canadian within the last three weeks. Dr. A. Davidson Dunton, President of Carleton University, addressing the Canadian Club of Montreal on January 21, commented on the "sagging spirit in Canada; some lack of drive and sense of purpose and direction; a vague sogginess in our national life." And Mr. R. M. Fowler, President of the Canadian Pulp and Paper Association, at the annual luncheon of that Association on January 24, noted that "wherever you look in Canada there is a feeling of uncertainty and anxiety", continuing "I think our first task is to restore our own confidence in this nation and determine where we want to go in the rapidly changing world."

Mr. Fowler went on to say that, if he were asked to put his finger on the single major cause of this lack of confidence that characterizes the Canadian scene, he would point to our failure to define a satisfactory trade policy. With this I agree, for I feel that trade policy (in which I include tariff or "commercial" policy) is of greater significance to us just now than any other field of our economic affairs. Let me, therefore, expand on this theme a little.

For the best part of a century Canadian trading policy has had two separate features, each of which has tended to be, to some extent, in conflict with the other. These features have been, on the one hand, the desire to maintain the most open possible foreign markets for our primary goods exports, while, on the other hand, endeavouring to develop a complex of manufacturing industries behind a protective tariff at home.

This policy has necessitated a delicate balancing act between the two elements. An increased tariff to assist a manufacturer might invite retaliation from foreign countries against Canadian exports of primary products, and so on. But this difficulty, which is faced to some degree by most nations with mixed economies, has been especially critical for us owing to the "cost of the tariff"—that is, the effect of import duties on domestic prices—and the vital necessity of avoiding too great a discrepancy between Canadian and United States living standards. As it is, this difference is variously estimated at between 25% and 30%, undoubtedly in part as a consequence of the tariff. At this rate it is known to contribute to a continual loss of manpower—often the most talented and enterprising manpower—across the border—a wastage we can ill afford. Clearly the gap must not become any wider.

Today, I suggest, the balancing act is no longer viable. It is beginning to wobble, and if we do not do something drastic pretty soon it will topple to the ground. My reasons for believing this are as follows:

First, the potential market of our primary goods has undergone a sharp decline from the expectations of the early post-war period. This development derives from a number of factors. There has been an enormous build-up in capacity for the production of minerals, for example, all over the world in recent years, some of it involving concentrations of far greater wealth or economic suitability than the corresponding resources in Canada. (A decade ago these advantages might have been offset by the more stable political outlook here than in other mineral-rich areas, but this feature seems to be considered of less importance nowadays.) Typical of the results of such circumstances is the relatively disappointing prospect for Northern Quebec iron ore, compared to a few years ago, following the exploitation of ore bodies in Venezuela and the fabulous new discoveries in West Africa.

Then, too, synthetic materials are taking over from many of the metals and other minerals we export. And finally, we see the emergence of a new kind of economic isolationism in the apparent desire of the European Common Market to achieve self-sufficiency in agricultural commodities and, to a lesser extent, industrial raw materials.

These trends suggest that we may suffer a deterioration in our exports, with a resultant loss of living standards, unless we are prepared to pay for improved access to markets, such as the European trading bloc, with reductions in our tariffs on manufactures. Either way the balancing act is endangered.

Second, in respect to manufactured products, the tendency in the world seems to be towards bigness. One aspect of the movement towards bigness is the development we have just noted, the growth of regional trading groups, at present mainly in Western Europe but being emulated in Latin America, the Middle East and elsewhere. One of the avowed advantages of regional groupings is the opportunity for "economies of scale", as the economists call it, the lowering of unit costs through mass production and distribution for a continental market. Add to the European super-market the 100-million strong industrial giant of Japan; then contemplate the emergence within the next few decades of similar massive economic units in other parts of Asia and in Latin America; and consider the increasing competition of such monolithic states as Russia and China.

At the end of this process you may well wonder where small fellows like Canada fit into the picture. We would fit very well, of course, into the maw of the economic giant of *this* continent, the United States, but we seem to want avoid that destiny. Again, how do we maintain the balancing act?

There is another aspect of this trend towards bigness too, and that is the growth of the industrial complex or corporate empire. Whether reluctantly or enthusiastically, Canada is very much a part of this process as our small firms are continually absorbed by larger companies. Unfortunately, however, the advantages of this process are often small in Canada, simply because the corporations that acquire control in such cases are, for reasons we all know about, usually foreign, and the existence of the tariff tends to prevent the integration of the Canadian company into the international enterprise in an efficient way. On the other hand, similar corporate amalgamations occurring within the United States (or Britain, or elsewhere) do produce a reorganization of the enterprise, bringing about specialization of production with consequent "economies of scale". Thus once more, the gap between Canadian and foreign costs and, as a result, living standards tends to grow; the balancing act becomes increasingly precarious.

These, then, are the factors that I believe are undermining our traditional trading policy, upon which so much of our total economic policy has been built. Indeed it is perhaps not too much to say that a great deal of our political policy too has been built upon this basic structure. And it is therefore not surprising that the growing realization that this policy is falling apart is creating a widespread feeling of confusion and despondency. Moreover, adding still further to this decline in the public morale has been the response of Canada to the challenging events in the trading field.

Let me remind you of a few of them, starting with the proposed diversion of 15% of Canadian imports from the United States to the United Kingdom back in 1957. The British called our bluff on that one, you may recall, by suggesting an Anglo-Canadian free trade area, an idea apparently so shocking to the Canadian authorities that it was hurriedly swept under the carpet and forgotten. Equally negative were the so-called "voluntary" quotas on Japanese exports to Canada, despite the continuing heavy export surplus we run in our trade with Japan. Then came our unenthusiastic response to the British application to join the European Common Market, and our lukewarm initial attitude to the U.S. Trade Expansion bill.

Now it may be that the official Canadian reactions to Britain's application to join the Common Market, and again to the United States presentation of its new trade bill, were tactical diplomatic manoeuvres rather than reflections of opposition to these moves. But it cannot be denied, I think, that this attitude has given the impression that we are afraid of change and progress, an impression which, added to the reverse in our economic fortunes in recent years, leaves Canada with a tarnished image in the eyes of the world and adds to our loss of self-esteem here at home.

And here let me pause to refer briefly to another type of negative response to the trade challenge—the "Buy Canadian" approach, which I regret to say seems to have found its way into the otherwise admirable Ontario Trade Crusade. I can understand a "Sell Canadian" approach. That makes sense. But we are not going to expand our trade by offending our customers. I know how I would feel as an exporter of Canadian products if in one of my markets the government were to urge its citizens to buy local products in preference to my own. And I know that a "Buy Canadian" campaign doesn't help me or any of my fellow exporters in selling abroad and creating jobs for Canadians.

In saying all this, I do not wish to belittle the excellent work of the Canadian government and others, including the Ontario government, in promoting exports. The Hon.

George Hees, and his department, in particular, is doing an excellent selling job. Nor do I overlook the possibility of substantial trade gains as a result of the devaluation of the Canadian dollar. What I am talking about is trade policy, in which respect I think our attitude has been essentially negative and unimaginative.

What we need is a positive approach to trade policy. The old concepts and ideas are outdated. We have to become as revolutionary in our thinking as the Europeans and the British and the Americans. If we do not, we shall experience all the difficulty, and too few of the benefits, arising from the changes that are taking place around us. At worst we may, as Dr. Dunton suggested in the speech I mentioned earlier, "slip into a dull", secondary category among developed nations.

We cannot afford to sit back and wait to see how we are going to be affected by the U.S. Trade Expansion Act or by Britain's entry or nonentry into the Common Market. We cannot go on extending voluntary export quotas to one industrializing country after another, as these, like Japan, move into the modern world, perhaps as a result of the help that we and other developed nations are giving them. We should be actively engaged now in re-thinking our position and our policies. To be specific, I think we should be prepared to bargain away some of our tariff protection in order to obtain access to foreign markets. We should switch the emphasis from making as few changes as possible to securing as many new markets as we can. Let the bargaining be tough but let it be aimed at expanding, not restricting, trade. We have so much to gain from such an approach.

What do we have to gain? Well, I would like to suggest a line of thought to you on this subject. I referred a few moments ago to "specialization of production" and "economies of scale" as contributing to lower unit costs. But I want to make one point very clear. When I speak of the "small market" available to Canadian companies I do not wish to suggest that this country is essentially too small to support competitive manufacturing enterprises. This is a widespread conception, but studies into the economics of industrial concentration would seem to indicate that a home market of 18 million people, 10 million of whom live within the industrialized regions of Southern Ontario and Quebec, is ample to permit economic production in the great majority of enterprises, provided they are appropriately organized.

That interesting nation Sweden, with a population of only 8 million, has succeeded in building a manufacturing industry which performs most effectively against international competition, despite high wages and other costs, and in doing so has achieved a standard of living which some authorities have calculated as superior to our own. Many other of the smaller European countries have had similar successes, suggesting that a small home market need not be the insuperable obstacle it may appear to be.

The secret of these countries, if it can be called that, is specialization of production in a relatively few industries, few companies, few product lines. Thus instead of the market being fragmented into many segments, none of which is adequate to support an efficient manufacturing operation, a situation all too common in Canada, a smaller number of enterprises and activities can each supply a share of the market that *does* permit economic production. There is, moreover, a second advantage to this type of specialization. It enables the country concerned to trade tariff reductions on the things it *does not* produce for concessions by other nations on those it *does*, thereby obtaining low-tariff entry to markets abroad. These export opportunities make possible a further increase in the scale of production, leading to further reductions in costs.

I believe that the key to the solution of many of Canada's economic problems lies in this kind of specialization. If we could specialize our production more, we could lower our unit costs, find export markets, reduce unemployment, raise our living standards, and slow down our loss of valuable manpower to the United States. The effects of these improvements could help to break the sense of stagnation that is besetting so many Canadians today as they ponder their country's future, producing a new dynamic in our national affairs. These are bold claims indeed, but I do not think they are excessive.

Well, then, you may say, if the advantages of specialization are so obvious why have such changes not been made already? Are our business leaders so dull that they cannot see for themselves the things you are saying? No, of course, they are not. Some moves in this direction have in fact been made; the reason that more have not occurred is primarily, in my view, the nature of our tariff structure, which has helped both to create and to perpetuate a high cost, fragmented industrial system in Canada. It has helped to create it in the way I mentioned earlier, by preventing the efficient integration of Canadian branch plants into the large, international corporate organization of the parent company. Moreover, it has encouraged the building of Canadian plants by virtually *all* the U.S. companies in many industries, plus a few more from Britain, France, Germany, etcetera. Obviously, this leads to overcrowding of our relatively small market, with the result that most Canadian plants in this category operate below capacity and at high cost.

Similarly, tariffs can help to *perpetuate* this problem by removing the stimulus, provided by foreign competition, to do something about it. For if a regime of this kind makes for high costs in Canada, these costs do not become a real burden to industry so long as the Canadian market is insulated from lower costs elsewhere. In recent years, as we know, foreign competition *has* upset this picture in many cases, despite the import tariffs in force, and the result has been a cry for increased tariffs, quotas and so on. If we provide such protection, the difficulty recedes and things go on as before, with none of the needed reforms taking place. (The same result, or lack of result, will be encouraged by "Buy Canadian" campaigns.) The only way in which we will bring about the necessary rationalization, I submit, is by embarking on a policy of planned tariff reduction.

I hope I have made a sufficiently convincing case for a new trade policy, involving substantial cuts in import tariffs, with a view to producing a more specialized, low-cost industrial structure in this country. The question now is how this objective should be pursued.

We should begin, in my belief, by endorsing enthusiastically the United States initiative in seeking a broad liberalization of world trade. This initiative is represented by the new U.S. Trade Expansion Act, the future of which has, of course, been placed in some jeopardy by President de Gaulle's veto of Britain's application to join the Common

Market. However, the legislation is far from being dead, and there is little doubt that the U.S. Administration, faced with the changed position, will employ every means at its disposal to maintain this avenue towards the goal of freer international trade, or will seek a satisfactory alternative. Meanwhile, although we must regret the reason for the delay, Canada can in fact use this breathing space to advantage in formulating an appropriate policy of its own. As a guide to the development of this policy, let me examine with you briefly the principal provisions of the U.S. Trade Expansion Act as it now stands.

The Act, for those of you who are not familiar with it, empowers the President to amend tariffs in four broad areas. First, in bargaining with any country or group of countries, he may reduce any existing U.S. Tariff by up to 50% of its present level. Second, he may eliminate, in similar negotiations, any tariff that is at present 5% or less. Third, he may eliminate, in bargaining with the European Common Market, the tariff on any product in which the United States and the Common Market countries together account for 80% or more of Free World exports. (This provision has assumed British membership in the Common Market and will now probably be reworded to include Britain and other European nations even if they are not members.) And fourth, of little interest to Canada, he may eliminate tariffs on certain tropical agricultural commodities.

Nor need we think only of the United States in regard to his Act, for it is one of the fundamental features of the legislation that any tariff reduction realized, whether the bargaining took place with the Common Market countries, Canada, Brazil, India or any other country or group, will be applicable to other nations under the system formulated by the General Agreement on Tariffs and Trade.

However, considering for the present the possible impact of the three main provisions on our exports to the United States alone, we find the following situation. About two-thirds of our exports to the United States that are now dutiable fall into the category on which the U.S. tariff is currently 5% or less and thus is eligible for elimination under the new Act. Of the remaining one-third about $150 million worth, or 10% of all dutiable exports, appear likely to be covered by the amended United States-Common Market provision under which tariffs can also be eliminated. This leaves only about $350 million worth of Canada's present exports to the U.S. that are not eligible, under the Act, for tariff elimination. And even they stand to have their tariffs cut by 50%.

Now this looks like quite an interesting prospect, and in many ways it is. But it has a number of shortcomings from our point of view. The big category of goods dutiable at 5% or less, on which tariffs stand to be eliminated, consists mainly of primary commodities, and the demand for such goods tends to be relatively "inelastic"—that is, unresponsive to small price changes such as would result from the removal of a 5% or lower import tariff. I am not saying the change would be anything but welcome; only that we should not exaggerate its effects. Similarly, the reduction by half of the U.S. duties on the $350 million worth of products, principally manufactures, I have mentioned would doubtless help us, but might not be so much of a boon simply because our costs in manufacturing tend to be higher than the Americans'; on the other hand, a 50% cut in our tariffs would unquestionably give a very great advantage to American manufacturers in the Canadian market.

It is the third provision, which permits the elimination of tariffs on items mainly of a manufactured nature, that provides, or would have provided, the most exciting possibilities for Canada. Why do I find this provision exciting? If satisfactorily negotiated it would cover Canadian exports valued at only about $150 million, or one-twentieth of our annual sales to the United States. Surely it is ridiculous to get excited over the prospect of even a substantial increase in such a small proportion of our trade?

But this is only half the story, for the complete removal of tariffs on manufactured goods, if matched by similar action on the Canadian side, could open the door to the very kind of rationalization of Canadian industry that I have suggested is so necessary. Some of this would occur in the form of the integration of Canadian branch plants, now that tariffs were no longer a significant barrier, into the international corporate organizations of the parent concerns, permitting specialization in certain product lines in Canada for export all over the world, or at least over all or part of the North American continent. Some would result from the ability of a number of foreign companies, currently forced by the tariff to maintain uneconomic manufacturing facilities here, to close down their plants, leaving the remainder far better placed to achieve competitive production. More, again, would derive simply from the pressure put on firms to rationalize their activities in order to beat the new import competition. The consequence could be not just a helpful increase in the present rather modest exports of these industries, but a transformation in the entire cost pattern of this sector of manufacturing, leading to an enormously strengthened competitive position at home and a chance to raise exports two, five or conceivably ten-fold in some cases. Indeed it might well prove possible to export in large quantities some products that are not at present exported at all. This is what I mean by exciting possibilities: the opportunity for a reshaping of our industrial complex on utterly new and more progressive lines.

If you are with me so far you will conclude, I think, that we should aim not only for the reinstatement of this provision in any amended legislation to cover Britain's failure to gain entry to the Common Market, but should go further and seek to have it broadened to cover more categories in which we are interested. As the Act stood prior to the de Gaulle veto, we might have pressed to have Canada included in the "80% of Free World exports" formula. With the new need to reappraise, and perhaps revamp this element of the legislation, and maybe even the entire Act, we have an opportunity to try for a far better deal. This is the sort of fresh, imaginative trade policy we need.

In closing, let me make it plain that I do not believe these measures represent the entire solution to our economic dilemmas. They need to be backed up with all kinds of other devices designed to further these objectives. Just to take a couple at random, I would hope that we might be able to assist certain kinds of structural reorganization of the type fostered by these tariff changes through a more liberal and imaginative attitude towards the regulation of combinations and mergers; and I think we should put our minds to the formulating of methods of helping companies, including both management and labour, to cope with amendments in trade patterns through the sort of "adjustment assistance" that is provided for in the U.S. Act.

But the trade measures are the essential first step. They are what can set in motion these really fundamental alterations in our industrial structure that we need. They represent the breakthrough, the positive approach to some of the basic problems that are sapping the vitality of our economy. I therefore urge you all to give them your earnest consideration.

It is high time we started to work on these questions. Let us take a bolder approach to our economic problems. Let us shake off this negative attitude, this conviction that we are doomed if we do not continue to protect our industries in a high-cost little island. Protection has not been helping us; it has been smothering us, preventing a dynamic economy from graduating from adolescence to the lusty maturity it is ready to accept. Let us have the courage and the perseverance to set it free.

THANKS OF THE MEETING were expressed by Mr. W. M. Karn.

"CANADA'S ECONOMIC POSITION"

An Address by

RIGHT HONOURABLE JOHN G. DIEFENBAKER
Prime Minister of Canada

Joint Meeting with the Canadian Club of Toronto
and
The Board of Trade of Metropolitan Toronto

Monday, February 11, 1963

CHAIRMAN: President of the Canadian Club of Toronto, Dr. W. Harvey Cruickshank.

Mr. Diefenbaker was introduced by Dr. Cruickshank.

MR. DIEFENBAKER: I begin by saying to you how deeply appreciative I am of the numbers that have turned out here. Only a few moments ago I said to the new Minister of Trade and Commerce, Senator McCutcheon: "There are more here than were present when you spoke. "Well," he said, "they paid four times more to hear me than they have to hear you."

That was something I couldn't get over. But you have mentioned that some transitions have taken place and some changes in recent days; well, reading the press and hearing the radio, some of you might conclude that I am not completely free of troubles, but I came here because I had undertaken to do so and there were arguments pro and con. I came to deal with my country, Canada, and to place before you my views regarding certain issues facing Canada, its economic and also some of its international relations.

Now, somebody told me that having regard to the unanimity of the three papers in Toronto, I was in the position of Daniel in the lions' den. Well, his was an amateur performance compared to mine. Gentlemen: He came out all right in the end; that is what I want to underline at this time.

The Canadian Club was established to strengthen the unity of Canada; the Empire Club, to strengthen our relations with the Empire as it was and the Commonwealth; and the Board of Trade to strengthen the economy and strengthen the business climate of Canada. The events of the last few days remind me that a politician, in an argument with a surgeon and an engineer, expressed himself very well when he said this. They were arguing the question as to which was the oldest profession. The surgeon said, "Of course, it is the medical profession. The operation on Adam's rib produced woman." The engineer said: "We came in before you. Who created order out of chaos?" The politician said: "I win, who created chaos?" That, I think, is a viewpoint generally held by those who in business and otherwise speak of those of us upon whom rest the responsibilities of leadership and I know something of the intolerable pressures that rest on those with responsibility. We will never meet Canada's responsibilities with faint heart and little faith; I have neither and I want to underline that.

Some of you in business say: "Oh, if you could only run government the way you run business." Well, it would be interesting. What would you do in business if every decision that you made, every expenditure that you indulged in had to go before a daily meeting of the shareholders, beginning at two-thirty each day and lasting until ten p.m.; where you are required to answer some questions more or less relevant to the business, some not; when, as a result of our parliamentary system you are in the position where many of your shareholders did not agree with you, you would be required to place the estimates of every department of your business before the shareholders in detail; you would allow them to debate and discuss then a single department for days. That is democracy. That is the operation of the parliamentary system. When I think of another prime minister in the middle east, in the last few days, I think our system is pretty good. We face issues every day, problems of economics, problems affecting every part of the nation and internationally. I am reminded of the college graduate in an Economics course, who went back to his Alma Mater to visit his son who followed in his footsteps and the son showed him his examination and the father was astounded to find that the same questions were on that paper as the ones he had written thirty years before. He went to the head of the department and he said, "What is the idea of this? Is this university not progressing? What lack of progress! Why, you asked the same questions of us students thirty years ago." The dean said, "Yes; the questions don't change but the answers do." That is so in every field of international and national affairs and that is so in the field of national defence, to which I intend to refer shortly.

I come to you as businessmen, to place before you something of the economic situation of our nation, something of our plans for the future, something of the incontrovertible evidence of the last few months. I place before you what you already know. The Canadian gross national product was eight per cent higher than in 1961. Only three times in the entire post war period has there been the rate of seven per cent exceeded. The rise in productivity, less the rise in prices, was the largest of any industrial area in the free world.

When I hear Canadians speak darkly of Canada's future, I say the seven per cent compares to five per cent in the U.S., from three to six per cent in the major industrial areas of Europe, from four to five per cent in the common market countries and in Sweden and Japan, and only one per cent in the United Kingdom. These are things that you know of. These are things that show economic progress. Indeed, insofar as employment is concerned, we are making better progress than any other comparable nation in meeting the challenge of unemployment. One hundred and seventy thousand more people were working than in 1961, an increase of 2.8 in the labour force. That seems modest, but it has only been exceeded once, since 1949. The income of Canadians increases year by year; it rose six per cent in 1962; wages and salary six per cent higher than the preceding year; corporation profits are estimated to be up ten per cent; new investment in Canada increased ten per cent. More housing units were completed last year than the year before. Investment in new machinery and equipment up ninety per cent. These are facts. These are things that Canadians as a whole have reason to be proud of. In the export field, perhaps the most vital single segment of the economy, there has been a steady, even a spectacular improvement. Canadians came through a crisis in foreign exchange similar to that of 1947. At the same time, our exports have been rising. Our exports in October and November, 1962, over the year before, showed an increase in less than two months of $121 million. That is not enough. We must go on. But, it does show this, that Canada is advancing. When we read in other parts of the world the fact that our economic development has slowed up, let me point this out, let me say to you, that the trends have been carried into 1963. The first eleven months of 1962, iron ore exports increased eighty-three per cent; crude petroleum seventy-two per cent; aircraft production increased, exports of aircraft, by thirty-four per cent; aluminum thirty-two per cent; machinery twenty-four per cent, that is non-farm machinery. So I can go on, Canada, your country, my country. Then the Canadian dollar today strongly standing against anything such as occurred last year; the reserve position a good deal higher today than it was last spring. The reserves behind the Canadian dollar today stand at two thousand six hundred and fifty million dollars. We have still to repay three hundred million. By contrast, the amount was one billion one hundred million last June. Furthermore, the reserves are being built up, reserves in the form of foreign loans arranged but not yet transferred. Quebec's $300 million loan from the U.S. Trans-Canada Pipe Line's $100 million issue in the United States. Strong, confident Canada. The gain in reserve in January, one thousand two hundred and fifty million dollars. What, I ask you gentlemen, is this? We are going ahead. We have reason to be proud. We have to go still more. It requires on the part of Canadian businessmen everywhere and labour and agriculture that joining together which is so necessary to all of us in co-operation, not to downgrade Canada. Gentlemen, lift Canada up. Don't carry the message to all parts of the world that things here are economically difficult.

What about the Commonwealth? What about the attitude in this connection? What about our trade abroad? Great changes have taken place in Europe. The European common market came into being. Britain didn't join. She could have at the time. She offered afterwards. Mr. Macmillan spoke for the British people and promised that there would be safeguards of the Commonwealth trade to see that unnecessary injustice would not be done. They kept her out. I am sorry for Britain, but she took her stand on behalf of the Commonwealth. Britain today faces her darkest hour economically. From all parts of this Commonwealth, we have to stand with the other members of the Commonwealth.

I proposed at the Prime Ministers' Conference in London, in the month of September, that whatever happened in Brussels, that an invitation should go to the Commonwealth members, to the Six, the European Free Trade Association, to the United States and to Japan and to all like-minded nations, to join together in a conference to bring about multilateral trade. I know what they said about it. They said the idea hadn't been thought out. Well, I had worked it out for a period of time, seven months. I presented it. It wasn't acceptable at the time. The purpose was to advance the strength of the Commonwealth to permit the Common Market to proceed with its own expansion. After the passage of the United States Trade Expansion Act, I placed it before the President of the United States and he accepted it and he said he would join with me in placing this before the nations. It was accepted by those nations. The members of the General Agreement on Tariffs and Trade agreed to hold a ministerial meeting, which I hope will be held early this spring. Then, on the 29th of January, in the House of Commons, I proposed a meeting among Commonwealth countries, before this GATT Conference and just a moment ago I had placed before me a speech delivered today in the British House of Commons by the Prime Minister of the United Kingdom, and he said this: "We have, therefore, proposed a meeting of Commonwealth Trade Ministers shortly before the time of the forthcoming ministerial meeting of GATT which it is hoped will take place in early summer. It is in line with the recent statement of Mr. Diefenbaker in the Canadian Parliament and, I think, with the thinking of all Commonwealth Prime Ministers."

Bringing together, joining together, maintaining the sinews of our defence economically; no matter what the situation may be internationally, Communism remains unchanged. Today, it is fearful of the tremendous nuclear deterrent of the U.S. Never before was it so necessary that the free world co-operate in these trade negotiations. I for one, speaking for this country, having placed this before the Commonwealth Prime Ministers' Conference, again the other day, asking for a meeting of the representatives of the Commonwealth before this GATT Conference, believe that we shall have attained, through the instrumentality of these several meetings, something of a new relation internationally, of a new concept of co-operation among like-minded countries, democratically minded, to the end that we and those countries, the countries of South America and Africa too, all those who believe with us in the democratic process, will join with us in bringing about the achievement of a new era in international trade, something that has been dreamed of for generations, something which now, more and more, is going to be achieved because of the present exigencies of our international position. Now, sir, I spoke with the members of that organization in September.

Well, naturally, there is one problem in their minds at the moment and I will speak of that immediately, saying that in no way are there any overtones of partizanship. I place before you the situation as I see it.

What of the defence situation? I can merely outline it in a matter of five or six minutes. There have been changing concepts of defence. They become the order of the day. In a little more than four years; the United States and Britain have changed their minds again and again about weapons. Since 1950, over three billion dollars worth of weaponry has gone into obsolescence and some of it never came into production because too often the rule has been if it works, it is obsolete. Changing, changing concepts. Britain has scrapped her Victor bombers, built at a vast cost. She scrapped her Blue Streak missiles. She scrapped that missile for the Skybolt, which the United States was going to supply, a missile carried by their aircraft. Well, at Nassau, those things changed and the United States pointed out that it would be quite impossible to produce the Skybolt. Some four million dollars have been spent on it. The President was willing to go ahead, I am informed, provided Britain and the United States would each put up around $100,000,000; but it was gone. They had their plans in Britain. When men and women say to me, "Why not a finality in this matter?", my answer is the changing situation. I wish some of you carried the responsibility. I wish some of you realized that all is not black and white, that in this field there is change, and at that meeting in Nassau, the United States and Britain agreed to a multilateral agreement being attained or hoped for in the Atlantic Alliance. What was the change? Was it aircraft? Was it bombers? The United States said: We are going to rely on the Polaris missile, to be fired from a submarine. No agreement has yet been arrived at in that connection. That will come before the conference in May of the NATO nations, who will meet in Ottawa. The whole concept of NATO is a partnership embracing all eighteen nations, who make their decisions individually and also collectively. You talk to me about finality, why the decisions of today are wrong tomorrow. What about the United States with its B-52 and B-47, these great aircraft, they are phasing out of existence. Now, the reliance is on Polaris. They asked us at that meeting in Nassau that we should expand, all of us within NATO, our conventional forces. Then they say, "Why not get finality?" I say what if Britain changes completely now as a result of what has been placed there at this very moment and debates taking place in the British House of Commons? What about air bases in the Mediterranean? The United States abandoning her bomber bases there. What about Turkey? What about Italy? What about those great missiles that they have, those missile sites? Ignore them. Why? Because there is a change. With the development of the intercontinental missile, no longer can you be sure; no longer can you have any warning even. With intercontinental missiles travelling at fabulous rates of speed, what can bombers do against them? Nothing. What can Bomarc do against them? Nothing. Bombers and Bomarcs are for the purpose of meeting, within a small area, a bomber attack. These great changes are taking place. Instead of having bases on land, as I said a moment ago, the policy is changing to having bases on the sea. The day of the use of the bomber is phasing out. What about our situation? As far as our NATO forces are concerned, we received certain responsibilities and undertook them under NATO and provided the F-101 Interceptor. Those changes will have to be reviewed now, reviewed by the NATO nations. When I am told that these Bomarc sites are present to protect Toronto and Montreal, I say they are designed to protect the Strategic Air Command of the United States, which represents our only survival. The Bomarc, as I said a moment ago, is completely ineffective against Intercontinental missiles. The other day, Mr. McNamara, the Secretary of War of the United States, said in effect that the Bomarcs could no longer be considered as effective. Then he used these words: "They will be continued only because of the amount already expended on them." Our expenditures in Canada, fourteen million dollars on them.

Now, what about the days ahead? Insofar as NATO is concerned, we have carried out our commitments and are not in default in any particulars. We have available an ever-increasing number of these aircraft for the strike-reconnaissance role. How are they to be used? Are we to have the same role in the days ahead? That will be decided in the month of May when this meeting takes place. Whatever the decision may be, Canada, as always, with their allies there in Europe, will stand with them, for them and at no time in any weaker condition or position than they are in.

Insofar as NORAD is concerned, that is the North American Defence, I have mentioned the situation of the Bomarc. We will proceed with the negotiations to provide for the ready availability, with ready access to the weapons in case of need while, at the same time, we will insist that Canada's sovereignty and her rights as a nation shall be upheld at all times.

That represents, in the shortest possible form, an answer to a problem that will take a great deal of discussion. Any decisions before May would be premature because defence concepts and nuclear weapons and their nature is changing.

Mr. President, if we do not obtain agreement on disarmament, there is no victory possible in the event of nuclear war. We know that. Lincoln said, "I pass through difficult times. I know what people will say. Why does he not take this stand or that. Great decisions are made on one's knees," said Lincoln. How easy it would be to take another stand. We have endeavoured, we have done our part; we have advanced along the road to disarmament. We have maintained our defences, secure and definite. At the same time, we have done everything we possibly can to mobilize the feelings and the hearts of mankind everywhere, to bring about a degree of disarmament without which there can be no peace. I do not mean that Khrushchev is going to strike intentionally, because he is fearful of the result of the United States and its overwhelming nuclear deterrent power; but, that does not rule out mistakes. As far as NORAD is concerned, in North America we are negotiating, as I said, with the purposes in mind to which I referred, as far as NATO is concerned. Decisions now may well be changed in the light of what takes place at that meeting in May. That is why throughout the period of the last year and half we have been placing ourselves in a position where, if need came, action would be taken while, at the same time, we have refused to be pushed into a position where action taken might, as in so many other nations, turn out to be wrong. Our integrity, our security must be maintained and I want you to know that it has been.

Now, sir, what about the days ahead; what about my country and your country? Are we going to become prey to separatism? Are we going to break this country up into nine provinces and one state within the state? I look back to my boyhood days in East York, when only two per cent of the population here was other than British origin, and I was so classed. I see that changes have taken place. Men and women come from all the nations of the world. This Canadian Club, this Empire Club, the Board of Trade, what a contribution they make. Cartier said: "It will be impossible to carry out Confederation on account of differences in race and religion." It is precisely on account of the differences in race and local interest that the federal system should be established.

What about the future, the five-year plan for development, politically the gathering together of the provinces on some matters, bringing them together on a matter affecting them all? I do not believe Confederation is not a success, but if we want a richer national experience, a stronger spirit of Canadianism, a common dedication to the task ahead, we have to try to repatriate our Constitution and bring it back to Canada. We have not succeeded. We call together a consultative conference where these matters can be discussed, the scope of the conference is to be of the fullest breadth, not only the Constitution, but the problem of adequate representation in the public service and other government agencies. Bring them together; let us examine bi-culturalism; let us round out Confederation, just as you, as President of the Canadian Club and those associated with you have done so much for your country and mine. Let us round out Confederation, preserve the traditions of our country, maintain the spiritual treasures of this land to assure to all people mutual respect and understanding. That was my hope. In that little, dusty school in East York, I looked forward to the day of mixed origin, that we would be able to have equality without discrimination, to preserve freedom in private enterprise and to assure a better life for all. Mutual accord. Let us define Canadianism in all its greater and vital aspects. Let us enrich the values of bi-culturalism.

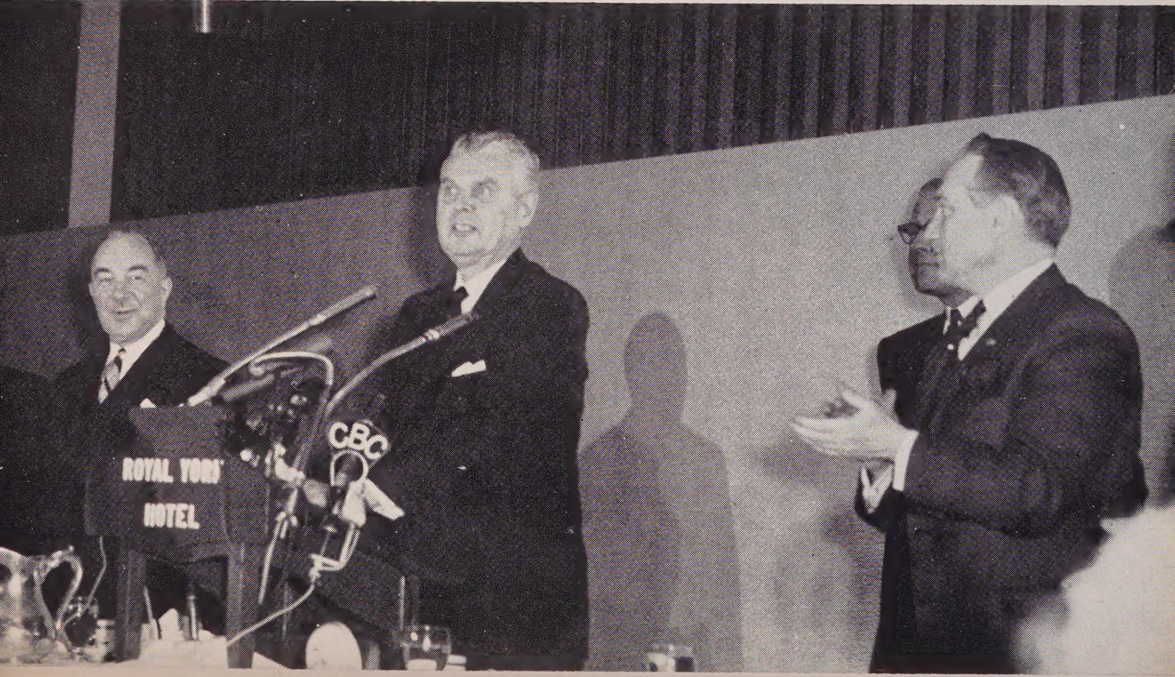
Mr. President, I, for one, see one Canada, not a state within Canada, a state within a state. It is one of the things that this organization must carry to all parts of our country, while respecting and strictly upholding the fundamental equality of those two founding races. We have in 1963 and 1964 and 1965 and 1966, before our one hundredth anniversary, the challenge to bring about in this land one Canada.

Sir, we shall maintain our defences, our material defences; but, above everything else, we have got to maintain the strength and the power of this spiritual wealth, without which material wealth means nothing.

We are proud of our contribution internationally. We will continue, in collaboration with our friends, to maintain the integrity and security of our country. We will carry out our obligations internationally and we shall with Confederation.

EMPIRE CLUB
OF

Ernest B. Griffith, Q.C., January 31st, 1963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RIGHT HONOURABLE JOHN G. DIEFENBAKER, P.C., FEBRUARY 11TH, 1963

I am a Canadian. I know that this land, in the next one hundred years, will be a land true to the traditions of the past, that all of us will be able to say, as did the Fathers of Confederation: "They built it better than they knew."

THANKS OF THE MEETING were expressed by Mr. Palmer Kent, Q.C., the President of the Empire Club of Canada.

DINNER IN HONOUR OF THE HONOURABLE J. KEILLER MACKAY

Dinner in Honour of The Honourable J. Keiller Mackay, D.S.O., V.D., Q.C., LL.D., D.C.L., The Lieutenant Governor of the Province of Ontario, and Mrs. Mackay. Sponsored by The Empire Club of Canada, The Royal Canadian Military Institute, The Canadian Club of Toronto, and The Lawyers Club.

On Monday evening, 18th February, in the Royal York Hotel a festive dinner attended by twelve hundred of Toronto's leading citizens was given in honour of The Lieutenant Governor and Mrs. Keiller Mackay. The meeting was presided over by Lieutenant Colonel B. H. M. Tedman, C.D., The President of The Royal Canadian Military Institute.

Other guests at the Head Table were: His Eminence James Cardinal McGuigan; The Hon. Donald Fleming, P.C., Q.C., M.P., Minister of Justice; Senator The Hon. M. W. McCutcheon, P.C., Minister of Trade and Commerce, and Mrs. McCutcheon; The Hon. F. M. Cass, Q.C., M.P.P., Attorney General of Ontario, and Mrs. Cass; The Hon. Leslie Frost, Q.C., LL.D., D.C.L, and Mrs. Frost; The Hon. Dana Porter, Chief Justice of Ontario, and Mrs. Porter; Mr. William R. Allen, Q.C., Chairman, Metropolitan Toronto, and Mrs. Allen; Maj. Gen. G. Kitching, C.B.E., D.S.O., C.D., General Officer Commanding, Central Command; Mr. J. R. W. Wilby, C.M.G., Dean of the Consular Corps, Toronto, and Mrs. Wilby; Group Captain J. W. P. Draper, D.F.C., C.D., Senior RCAF Officer, Toronto, and Mrs. Draper; Mr. Sydney Hermant, Past President, The Empire Club of Canada and The Toronto Board of Trade, and Mrs. Hermant; Brigadier J. N. Gordon, D.S.O., C.D., Vice-President, Royal Canadian Military Institute, and Mrs. Gordon. Mrs. B. H. M. Tedman; Dr. W. Harvey Cruickshank, President, The Canadian Club, and Mrs. Cruickshank; Lady Flora McCrea Eaton; Mr. Donald Campbell, Q.C., President, The Lawyers Club, and Mrs. Campbell; Lt. Col. B. J. Legge, E.D., Q.C., Chairman, The Dinner Committee, and Mrs. Legge; Maj. A. J. Langley, C.D., Vice-President, The Empire Club of Canada, and Mrs. Langley; The Hon. Paul Hellyer, P.C., M.P., and Mrs. Hellyer; The Most Reverend W. L. Wright, D.D., Archbishop of Algoma, and Mrs. Wright; His Worship Donald Summerville, Mayor of Toronto, and Mrs. Summerville; Mr. Harry I. Price, Hon. President, Canadian National Exhibition; Commodore J. W. F. Goodchild, C.D., Q.C., Senior Naval Officer, Toronto, and Mrs. Goodchild; Mr. Joseph Sedgwick, Q.C., Treasurer of The Law Society of Upper Canada, and Mrs. Sedgwick; Captain J. F. Lake, Q.C., Vice-President, Royal Canadian Military Institute; Commander Paul McLaughlin, RCNR, Vice-President, Royal Canadian Military Institute, and Mrs. McLaughlin.

Grace was said by His Eminence James Cardinal McGuigan, Archbishop of Toronto.

LT. COL. TEDMAN: As you know, this evening has resulted from the happy association of our four clubs for this dinner. I am now pleased to invite Mr. Donald Campbell to make this presentation. Mr. Campbell is one of Her Majesty's Counsel, learned in the law, a partner in the prominent legal firm of Holmested, Sutton, Hill and Kemp and the distinguished President of The Lawyers Club—Mr. D. L. Campbell, Q.C.

MR. CAMPBELL: To those here who realize that The Lawyers Club at its incorporation in 1922 and when Keiller Mackay became a member in 1925 and even today, excludes ladies from membership, it may seem a little odd that the President of The Lawyers Club should be chosen to make a presentation to Mrs. Mackay. Fortunately, however, this restriction upon membership has never prevented either the President or any other member from appreciating a woman's many virtues. I was therefore very happy to accept the opportunity of making this presentation for those virtues are wonderfully demonstrated here tonight in the person of Katherine Jean Mackay who by her warmth and devotion has brought great lustre to the position of consort to the Lieutenant Governor.

It is therefore with the greatest pleasure that I ask Mrs. Mackay to accept these flowers and with them the respect and affection not only of all present but of the whole Province of Ontario.

LT. COL. TEDMAN: I now take pleasure in introducing another of Her Majesty's Counsel, learned in the law, Lt. Col. B. J. Legge. We are most indebted to him as the Chairman of the Special Dinner Committee, for arranging such a magnificent event for our clubs. Colonel Legge is a member of all our Clubs, a Director of the Royal Canadian Military Institute, a distinguished Past President of The Empire Club of Canada and a leading officer in the Toronto Garrison. Lt. Col B. J. Legge, ED, Q.C.

LT. COL. LEGGE: My first duty, Mr. Chairman, is to thank you on behalf of all our clubs for the support of the Royal Canadian Military Institute and for making available the services of your vice-presidents and executive officers. We are particularly indebted to you for completely subordinating your presidential and architectural work to this great undertaking and for presiding so delightfully this evening. As Chairman of the Special Dinner Committee, I have received many telegrams of congratulations to His Honour and Mrs. Mackay. I will simply mention that among them was one from The Right Honourable the Prime Minister of Canada, Mr. John Diefenbaker. I would like to read one from His Excellency The Governor General of Canada, Major General Georges Vanier, which is—

> "I am so happy to participate in the wonderful testimonial of admiration and friendship which is being given to The Honourable J. Keiller Mackay a man whom I have known in War and Peace for almost fifty years and for whom I have the deepest affection stop I am tempted to repeat what Arthur Balfour said to a friend after bidding farewell to Walter Page at Waterloo Station in 1918 quote I loved that man unquote
>
> Georges P. Vanier"

The dream of glory for this formal dinner has been achieved. His Honour's careers as a public figure, as a soldier, as a lawyer and as a judge, are mirrored by the homage of The Empire Club of Canada, The Canadian Club of Toronto, The Lawyers Club and the Royal Canadian Military Institute.

I am most privileged, Mr. Chairman, that you should ask me to speak for another select group, the Militia of the Toronto Garrison, which has sincere cause for felicitating His Honour and with us are joined the Reserves of the Royal Canadian Navy and the Royal Canadian Air Force. In this Garrison are twenty-seven Headquarters and Units and there are here tonight twenty-seven tables symbolically representing their great Regimental traditions. I offer the respect and the affection of all the Militia to Lieutenant Colonel The Honourable J. Keiller Mackay and to Mrs. Mackay.

In one of the Western Provinces, where people make a ritual of informality, there was once a Lieutenant Governor who was untrained in the ways of ceremonial. Shortly after his appointment, while driving to an official function, he relieved the tedium of the journey by confiding in his ADC who returned the confidence by asking His Honour how he really liked being the Lieutenant Governor. The Governor confessed that he enjoyed meeting people at receptions, but said he hated those events where they had military bands because he didn't know how to stand to attention and he always felt so nervous when they played "God Save The Queen." The ADC, forgetting the Crown's immunity from criticism, said, "I would certainly like to help your Honour because watching you fidget embarrasses me to death."

Never has anyone in this Province suffered anxiety for a single second. His Honour has performed his vice-regal functions with an expertise and a polished zest which has never been excelled. He has faithfully attended a thousand and one Militia functions, ceremonies and mess dinners and he has always been to us not only the gallant representative of our Sovereign Lady, but a most accomplished officer who gives to all the military the gentle cordiality of his warm comradeship.

In the world of Governors and soldiers Caesar's word is high authority. He once said, "I would rather be the first man here than the second in Rome".

Sir, in your Province of Ontario you are the First Man and you have so peerlessly represented the Queen's Most Excellent Majesty that the Militia offers you this fond salute from its heart.

LT. COL. TEDMAN: Colonel Legge, who organized this dinner wrote me an aide memoire with suggestions for words that I might say. His overyowering words have now left me completely wordless in my capacity to thank him, but, Bruce, your sentiments are echoed by all of us in the Militia, as witnessed by the standing ovation which I am sure was a tribute not only to His Honour but to your eloquence. His Honour will very shortly be addressing us and it is perhaps inadequate—this is not the word that is written in front of me—perhaps even inappropriate that we should ask someone to give an introduction. However, we are doing so and I will now ask Major Arthur Langley, who is the Vice-President of The Empire Club of Canada and a Director of the Royal Canadian Military Institute, to say a word or two before His Honour's remarks, Major Arthur Langley, CD:

MAJOR LANGLEY: The man whom we honour tonight, could justly, if it were his way, make proud boasts of achievements in so many fields as to stagger the mind.

It is not my task to catalogue his noble record—tribute must await its appointed time, but as a brother Gunner, I am ever conscious of the brilliance of his military record and of his pride of regiment.

And perhaps, in his regiment's motto, we can glimpse a partial key to his peerless record. "UBIQUE QUO FAS ET GLORIA DUCUNT"—Wheresoever faith and glory lead!

To you, Sir, faith has always been represented by the twin calls of duty and service, and glory and honour, have justly followed in deserved recognition of unparalleled achievement and devotion to your tasks.

Tonight, in this vast gathering, it is not the rank, not the title, not the appointment we call forth, but the man, our beloved friend and tireless inspiration.

We summon him now in the fulness of our hearts to respond to that deep affection in which we so proudly hold him.

THE LIEUTENANT GOVERNOR: May I express most sincerely but with restraint on behalf of my wife and for myself our deep sense of gratitude and appreciation for this truly magnificent Reception. I make this acknowledgment advisedly because being deeply moved by the grandeur of the moment, the flowing tide of stirring memories and rushing waves of sentiment, if I should find myself unable to proceed further it would be well that I had in a rough way discharged my obligation as a guest and perished so to speak with courtesy on my lips and grace in my heart.

Ordinarily the tongue of man is able to express the idea which the intellect conceives, but in the realm of true and deep sentiment it is but a weak interpreter. This limitation has never been more overwhelming than tonight, not so much because of my inability to speak my own language but because the sentiments of my heart are deep and fervent and true, germinating from years of happy association and tonight finding their supreme fruition in a heart filled with magnificent emotion for this expression of your esteem and super-abundant generosity. To be thus honoured is a distinction which I know not well how to receive or in what terms to acknowledge.

Gratefully I recognize the presence of His Eminence, the Cardinal Archbishop of Toronto, His Grace the Archbishop Metropolitan of Ontario and the Clergy generally, those ecclesiastical dignitaries whose life and work guarantee integrity of spirit, purity of heart and exaltation of mind, who wear the robe of righteousness like unto a well-fitting garment. The welcome which I have received at St. Michael's Cathedral, St. James Cathedral and many other cathedrals and churches throughout Ontario will ever remain a memory of quiet peace and profound inspiration.

To the Prime Minister of this Province, the Ex-Prime Minister, Mr. Frost, to the Leaders of Opposition, Mr. Wintermeyer and Mr. MacDonald, the Ministry, the Members of the Provincial Parliament and the People of the Province of Ontario of whose great kindness, liberality and good will we have been the recipients in abundant and bountiful measure, we present our grateful thanks. Nor do I forget His Worship the Mayor, past and present, the Chairman of Metropolitan Toronto and the City Fathers for their great courtesy and co-operation during my tenure of office.

To the President of the Royal Canadian Military Institute who tonight presides so acceptably and Members of the Institute I present my deep and abiding sense of obligation. To the Empire, Canadian and Lawyers' Clubs who in unison with the Royal Canadian Military Institute are our genial hosts, I respectfully voice profound and lasting gratitude. When accepting your invitation I did not know that anything as magnificent as this was in contemplation. The extent of the preparations, the vast amount of work necessarily entailed, such kindness and generosity is indeed overpowering.

I salute their Lordships, the Judiciary, the Treasurer of the Law Society of Upper Canada, Benchers and Bar in the name of one thousand years of enobling history and glorious tradition dedicating the majesty of justice to the service of mankind thereby proclaiming and safeguarding a system under which everyone is assured by indefeasible right and not by favour or sufferance in the enjoyment of his life, his liberty, his property in all its forms, his family relations, his freedom of conscience and of speech.

It was the inspiration of such exalted vision and action which impelled our antecedents through the centuries to enact in statute form those enobling principles set forth in "Magna Charta", "Trial by Jury", "Petition of Right", "Habeas Corpus" and the "Bill of Rights". These are the milestones that point the way along which our people have marched to freedom, progress and prosperity; and in our self-governing Commonwealth, above and over all, subject to constitutional limitations is the Golden Circle of the Crown. What is within the round of that circle? Not only the maintenance of an ancient and revered dynasty, but the hope, the confident hope, of enlarging and expanding freedom and constitutional development for millions of the human race.

Nor should we speak lightly of those traditions. Tradition is the sum of those enduring values which have been kept alive through all mutations. It is tradition which gives continuity, stability and direction to life and reflects the "ceaseless whisper of permanent ideals." Far from stifling growth and progress it is tradition which supplies nutriment and sustenance for their germination. The greatest of all traditions is the tradition of growth and adaptation in harmony with the fundamentals drawn from the lessons of the past. And it seems to me that we should teach the rising generation that there is such tradition, that they should be part of it and receive strength from it and if it lies within their power that they should make it richer and fuller in their day and generation.

I desire to acknowledge with great cordiality the constructive and ready co-operation of the General Officer Commanding Central Command, the Area Commander and General Staff to whom duty and at times support and assistance beyond the call of duty has prescribed the scope of their service.

In deep and lasting tribute I salute the gallant Militia Units of this Garrison, those voluntary and dedicated defenders who in two world wars have borne a large part of the storm and tempest. May the inspiration of their valour and the deathless glory of their arms be forever perpetuated.

To those gentlemen, the Honorary Aides de Camp, all of whom have served gallantly in the steep ascent of war, my constant companions during the last five years, what can I say that is not unworthy. Day or night, Sunday or Monday, holiday or otherwise, they were ever ready, cheerfully and with great efficiency voluntarily to answer the call of duty. The obligation of my wife and myself to them, to their lovely and lovable wives, to the efficient Secretariat and Staff at Queen's Park, all of whom we affectionately call "our Official Family", is in very truth immeasurable.

It is with stirring emotion that I emphasize and re-emphasize the contribution made by my wife who has borne a heavy load without a shadow of complaint. She has been my inspiration and companion through all vicissitudes and along every step of the way. Someone has said with real significance, not long ago, "Mackay, don't get too much over inflated by the fact that you are the Lieutenant Governor, all you are in reality is the husband of the Lieutenant Governor's wife." My inspiration and my companion, she has been, and with all always bright, cheerful and radiant as morning roses newly washed with dew.

And finally, may I ask you, please, to be doubly assured that the energy you have expended so liberally and the kindness you have bestowed so lavishly will always be deeply cherished by Kay and by me.

LT. COL. TEDMAN: Ladies and Gentlemen, every one of us is much moved by His Honour's eloquence. I have asked Dr. W. Harvey Cruickshank to undertake the impossible task of expressing your formal appreciation. Dr. Cruickshank is a unique Canadian, having served in the war as a Medical Officer in the Royal Canadian Army Medical Corps, he then turned his attention to the Bell Telephone Company, which he now directs. He also finds time to serve his Church and to act as the 66th President of the Canadian Club of Toronto, an office which he superbly performs and singularly adorns. Dr. W. Harvey Cruickshank.

DR. CRUICKSHANK: You have just heard The Honourable John Keiller Mackay speak. Would that I could match his eloquence in tribute, the eloquence of such an illustrious person who holds true claim in our minds and hearts as an outstanding Canadian.

I can't but I will say that it is a very great privilege and a challenge to follow him, one whose prowess as a speaker has led to ovations across this community, indeed across our land. Consider, Sir, as an example your speech to The Empire Club at its Christmas meeting in 1950, when you talked about Shakespeare. At that time this comment was drawn from a Toronto newspaper and I quote, "To review a speech is unusual, that is reserved for the theatre and music, but to do otherwise with the address of Mr. Justice Mackay is difficult for it had the dramatization of the state, the word music of the symphony and the intellectual impact of both." Another writer once declared that your judgments are noted for clarity and excellence of language and your addresses to the jury regarded as models of lucidity.

But we are gathered here this evening to pay tribute to you, Your Honour, not as a speaker of words alone, but as a total human being and in this context may I hasten to add our concept remains unchanged, in fact it becomes enhanced, for you have accurately been described as a scholar, a jurist, a soldier and, above all, a gentleman. There can be no argument about any of these characteristics, but I feel one adjective is imperative to complete the portrait and I know all in this room will agree when I say that you have ever shown that degree of selflessness which is the mark of a true humanitarian.

The evidence for this description is as lengthy as it is irrefutable. Time does not permit a detailed examination of all this evidence for tonight we are attending a dinner in your honour, Sir, not providing a character reference for an unfortunate in a Court of Law. Permit me to say, however, that the evidence if it were required would come from many witnesses and from all walks of life. It would come from troops who served with you in World War I, troops who are proud to be part of the notable Mackay group, those three Brigades of Artillery who hounded the enemy during the last days of that epic struggle. It would come from the Doctors and Nurses who watched your own struggle to recuperate from the wounds of battle in Hospitals in England and here in Toronto. It would come from your fellow graduates in Law at Dalhousie University in the Class of 1922 and from Members of the Bar of your native Nova Scotia to which you were called shortly thereafter.

That it was recognized by your associates in Ontario is attested to by the fact that you were Counsel in many cases representing both the Province and the Country, and that you were a member of the Commission which investigated the Kingston Penitentiary riot of 1932. And I am given to understand that your fame as a Lawyer on that occasion prompted one of the inmates to approach you after his release from prison and, as insurance for his future, offered you $500 to defend him the next time he was in trouble. That prisoner, I further understand, was later to become Canada's most wanted criminal, which is perhaps, but one more indication, Your Honour, that you have always had the respect of the leaders from all segments of our society.

When you became a Judge of the Supreme Court of Ontario in 1935, and presided at your first trial in Windsor, you said, "I hope that I lose neither the faith from which comes courage, nor the patience from which comes clarity." That you did not fail in these objectives is amply attested to, for admiration and respect followed you in what might be called the third phase of your illustrious career.

When you were appointed to the Court of Appeal in 1950, you declared, "As I see my task, it is to be knowledgeable If I can; to be teachable I should, and to be useful I must". Again you accomplished all three objectives as evidenced by this editorial which stated: "His courts are always a model of fairness and he went out of his way to befriend young and novice Lawyers." A fellow Jurist commented, "In his 22 years on the bench, Mr. Justice Mackay displayed those human qualities that are the mark of a great Jurist".

I quote these comments from the past because they reflect the sincere appreciation of you, Your Honour, while still actively engaged in the demanding role of the judiciary.

Outside the courtroom, the feeling you generated among the people of this Province, was if anything, even more pronounced. Your commanding presence graced the committees of those associations which worked for a better Canada, and you were unstinting in your efforts to help create that Canada.

Your valued leadership as President of the Ontario Branch of the Canadian Legion in the 1930's, and your personal attention to many of the problems which beset our veterans at that time is well remembered. You gave the same impact of personality and leadership as co-chairman of the Canadian Council of Christians and Jews, and it was fitting, therefore, that you should be singled out as recipient of the B'nai B'rith humanitarian award, which acknowledged: "Your distinguished contribution toward the enrichment of Canadian life and your steadfast devotion to all causes that seek human betterment, dignity and security for all people without regard to race or creed."

Is there any wonder then that in 1958, you were appointed the Lieutenant Governor of the Province of Ontario. I know I speak for everyone in this room when I say, "None whatsoever." As one of your Peers on the Bench so ably said it: "Keiller Mackay will make one of the finest Lieutenant Governors in our history." These were prophetic words which no one could dispute on this the eve of your departure from that office. So were the words of an editorial in a Toronto newspaper which reviewed your career and summed it up: "With such attainments, His Lordship fits the office of Lieutenant Governor as gracefully as heather adorns a hillside."

You have done that, Your Honour. You and Mrs. Mackay, have brought a new warmth to the office of Lieutenant Governor and we the people of Ontario have been warmed by it. We are grateful that Ontario was able to lure you from your native Province of Nova Scotia 40 years ago, and, of course, I must add that you in turn, were able to lure Mrs. Mackay with all her charm, to stay with us here.

We are grateful, Your Honour, for the role you have played in the administration of justice, for the wisdom of your scholarship, and for the great strength of character and leadership you have given. And our cherished hope is that we will be able to continue to enjoy these attributes for abundant years to come.

LT. COL. TEDMAN: My colleagues in speaking this evening, and our predecessors at many other functions and on many other occasions, in addressing themselves to you, Sir, and your gracious Lady, have uttered words that truly could not flatter in the expression of the extraordinarily deep feeling of the people of this Province for you both. Surely nothing said by any speaker could enhance what you possess now in such rich abundance: A record of devoted and dedicated service to your Country, your Province and to its people that is unparalleled. You have our love and devotion; not only those that are here tonight, but all of those who with pride, recall even a moment spent with you, whether in the elegance of the Vice Regal Suite at Queen's Park, or perhaps in a lonely church hall in some distant part of our Province.

My tongue and skill at speaking are such that I hasten to conceal them in brevity. It is tonight, my delightful privilege to offer you, Honoured Sir, and Mrs. Mackay, a memento from all of us here assembled.

The choice of gift was most difficult; it had at once to be suitable, to bring pleasure, and we hope lasting pleasure;

to be admirable to the eye, and to be wanted. Through a combination of the clairvoyance of your senior gentleman Aide-de-Camp, Col. McEachren, and the connivance, or perhaps conspiracy, of the distaff side of your family, we hope we have chosen well. The Oxford Universal Dictionary defines music both as "the Art of the Muse", "the song of birds and the murmur of running water" and then later, in one of those fine-print footnotes, as " a din produced by the knocking together of pots, pans, kettles, etc., for the purpose of annoyance". May you always enjoy the former and speedily obliterate the latter with the turn of a switch.

Your Honour and Mrs. Mackay, with the warmest wishes of the Royal Canadian Military Institute, the Empire Club of Canada, the Canadian Club of Toronto, the Lawyers' Club and of all those old and dear friends and colleagues of yours here gathered, I ask you to accept this modest measure of our esteem. I feel I must explain that it is a high fidelity record player, combined with radio, tape recorder and all those assorted wonders which make music a beauty in our homes today. We all wish it may bring you both great pleasure.

Before I finish I feel it only fitting that a tribute should be paid to His Honour as a distinguished soldier: an officer of the Royal Canadian Regiment of Artillery. With your permission, Sir, we will play a few bars of the Royal Artillery March.

The Lieutenant Governor and Mrs. Mackay were piped from the banquet hall to the Toronto Room where they received the guests.

"AFRICA— THE UNCOMMITTED CONTINENT"

An Address by

GEORGE B. CARTLAND, K.C.M.G.

Thursday, February 21, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: This year our Club has had very few distinguished speakers from distant parts of the Commonwealth and, therefore, I am happy to present to you today a person who can speak with authority about the changing situation in Africa.

Mr. George B. Cartland, a Companion of the Order of St. Michael and St. George, has been further honoured this year when a knighthood was conferred. He will be invested by Her Majesty the Queen next month and will then be addressed as Sir George. Born in Manchester, England, he went to Central Grammar School, graduated in history from Manchester University and completed the Colonial Services course at Oxford University.

For nine years he served as district commissioner in the various districts of what is now Ghana, then the Gold Coast Colony and Ashanti. There followed five years in the Colonial Office in London when he inaugurated the African Studies Branch of the African Division in that office. In 1949, he returned to East Africa where he was associated in various capacities with the Government of Uganda. He was administrative secretary, then Minister of Social Services and Education and then Deputy Governor from 1961 until the country became independent last year. Now, Mr. Cartland has accepted the post of Registrar of Birmingham

University and he will assume these new duties shortly. He has always taken a keen interest in Education particularly in the development and education of the African people.

Mr. Cartland is married, has two sons, age 21 and 17. His recreations include mountaineering, sailing and swimming and also he has tracked and watched wild game in Africa.

Because of his great experience and training, we are most fortunate to have him with us to speak on the subject: "Africa—The Uncommitted Continent".

MR. CARTLAND: The subject I have chosen, "Africa, the Uncommitted Continent", is one of those conveniently general subjects which will allow me to speak in general terms, and in some cases probably more specifically, on a wide range of subjects. The subject I really want to concentrate on is the developing foreign policy of the countries that are newly independent in tropical Africa.

Africa as a whole is a vast continent, and it has been customary in the past to divide it into two, and let the Sahara, that vast desert in the north, be a convenient dividing line, but my observations today will be largely concerned with the territories of tropical Africa rather than territories in the south which are not newly independent or those of the north which really belong more properly to considerations of the Middle East. Now, the part that these territories, the newly independent territories in tropical Africa, will play in the world of the future will be very much conditioned by certain background factors, and I would like to talk to you about them.

Before I do this, I would like to remind you that since 1950 there have been some 28 territories in tropical Africa that have achieved their independence; the greater number of those have come to independence in the last three years. You will appreciate then that these countries that I am talking about are new to the world of international affairs—not only new to the world of international affairs, but new to the world as a whole, and because the history has been a very short one for the main part, tropical areas, central areas of tropical Africa away from the coast have been developed really only in this century. Very little penetration or progress took place before then.

Established government only came to the interior of Africa round about the turn of the century. So the new countries in their experience of civilization, education, all sort of services that the modern world can offer are new to the form of commerce and money economy that it brings, which is part of the world we know. Not only are they new, and this is perhaps not surprising, but they are also underdeveloped. This is the phrase; this is the word which has come into use in recent years to describe those countries which are really living fairly near to the breadline nationally. Mainly new countries, many of them in the tropics; most of them with a basically agricultural economy. And this is the picture of the tropical Africa interiors.

The greater part of the economy is based upon tropical produce. Their exports are practically entirely the produce of the land. In my own territory, Uganda is dependent for the most part on cotton and coffee. It produces some sugar and tea and tobacco. Our neighbour, Kenya, produces sisal, coffee and some cotton, and a number of other small crops. Development of industry is small, and as much as 85 per cent of the exports of these countries is concerned with agricultural crops.

Now, the home policies of these countries. They have all come to independence determined that they will give the peoples of their countries a higher standard of living; a better range, better development of social services, particularly in the fields of education and medicine. The politicians who have come into fore have for the most part shown a fairly realistic approach to this subject. At least at the moment. They have realized that without money, the sinews of war so to speak, they will not be able to make any of the progress they desire. Therefore, in their speeches, and in their pronouncements of the home policy, they have laid very strong emphasis on economic development. How successful they will be is difficult to say.

I was concerned fairly closely with the preparation of the development plans in Uganda, and in other parts over the last ten or fifteen years, and it is extremely difficult to see how you can diversify the agricultural economy, rest your economy on a wider range of crops so that you will avoid the dangers of a fall in price in the world market of a single crop. It is difficult to find a field of industrial development that would come as a godsend to these countries. It could be carried out. The policies we had to follow were for the most part an attempt to build up small industries in a small way and hope the cumulative effect over the years would improve the basis of the economy. These are the problems which the new governments are facing at home.

In their approach to the world, and in their approach to home problems, the new governments are very conscious of their past. They are very anxious to show that they are no longer dependent. A good deal of the outlook is conditioned by this desire to demonstrate the reality of their new independence. In their approach to foreign affairs, this fact is an important one.

There are also other important facts. One of them is of all the aspects of government, their experience in foreign affairs is perhaps least. Foreign affairs, as you know, in the case of a dependent territory are operated through a metropolitan power, and the foreign affairs of the territories of Africa, that is apart from those discussions of minor problems across the border with our neighbours and discussions with our neighbours of administration and perhaps less dramatic matters, have been dealt with through Foreign Office or the Commonwealth Relations Office in London. This means there has been no foreign office on the spot. There is no foreign office to hand over. All the archives and records and information that go with the Foreign Office are for the most part not available in these countries. Moreover, they are not wealthy enough to establish many stations overseas which would be a source of information for them.

In the case of Uganda, only two stations have been established; one in Britain, where they have appointed a High Commissioner, and one in the United Nations. The United Nations representative is doubling at the Embassy in Washington, but there are no other representatives of Uganda overseas, so the amount they can draw from their own network is fairly limited.

All these territories have shown great interest in the

United Nations, and this probably is not surprising. It provides them with an attractive forum to play a part in world affairs; to speak and command a world audience. It also helps them to substitute United Nations contacts with other countries; representatives of other countries for those direct contacts that they cannot afford to establish by sending representatives to the capitals of the world.

Also they have been very quick to recognize that in the United Nations these small independent nations can exercise an influence which would be denied to them if they were to try to operate separately. They stand almost as a bloc, and every new independent power is one more vote, and if you add twenty-eight new votes since 1950 it is some measure of the shift of influence in voting power in the United Nations. This is an important factor, and it provides a good deal of attraction which that organization has for these new independent territories.

The fact that these countries are underdeveloped, that they have difficulty in closing the gap between their revenue and their extended projects, difficulty they have in raising capital to invest in new developments in the country means that although they are anxious to be independent and demonstrate their independence, they are really going to be very dependent on other countries of the world for assistance in the economic field for some considerable time to come.

Now, that is the background of the countries themselves. What about the outside world and its interest and its attitude to Africa? Before the war, in the thirties, there was remarkably little interest in Africa. In fact, even in Britain which had vast responsibility in Africa, you found a remarkable ignorance of what went on in these countries and what they were like. I remember when I was first going to Africa in 1935, the people were saying goodbye to me with a mixture of sympathy and a mixture of some sort of feeling that you were going somewhere from which you would not return, and certainly a feeling that you were going a very great distance; and indeed in those days you were, because it took me three weeks to get from my home in England to my station in the Gold Coast. My colleagues who went to East Africa, and went to Uganda, where I am now, or was recently, took as much as five weeks from their home in England to their station in Africa.

The last time I went home on official duty from Uganda to London in September, I travelled home one day, non-stop, in eleven hours; spent one day in London doing my chores, and I got the plane back next day and was back in eleven hours. This demonstrates the way in which the whole of tropical Africa has come, inside my official experience, very much closer to London and very much closer to the western world, and indeed to the world as a whole. This means it is one of the main factors in a very considerable increase in world interest in Africa. It has been possible to know Africa; it has been possible to get into it; it has been possible for the people of Africa to get out of it that was not available in the past, and this is important.

Africa too has become a sort of no-man's land in the clash between East and West. Many people on both sides have felt that Africa was the place where perhaps the cold war would be fought out, and big nations on both sides of the Iron Curtain have shown considerable interest in Africa because of this fact. They have attempted to put over their own points of view and they have attempted to influence African opinion, and they have attempted to establish their influence by grants of money and by offers of scholarships, and by the provision of literature and by inviting leading Africans to their camp headquarters. This has gone on on both sides, and this has greatly intensified world interest in Africa. Of course, it has had the effect of greatly boosting the morale and the confidence of the leaders in Africa, because of this great attention that was being paid to them.

The interest of the outer world of course went further than that. They were interested in commercial expansion and were looking to Africa for markets. I think many countries felt with the weakening of the four big colonial powers that there will be openings for them. We find many countries of Europe, Western Germany, Italy and Holland, who sent their representatives to Africa to look around for fields of activity and to look around for a possibility of expanding their commercial connections. This, too, has happened in the case of the North American continent. Iron Curtain countries, Russia, China, Czechoslovakia, have all taken an active interest in what is going on. They have offered scholarships, and they have invited leaders of Africa to go and make contact with them.

Other countries of the world, apart from those who might be interested in a purely commercial point of view, have also developed keen interest in the continent. India has some responsibility in the continent because a large number of Indian subjects have settled in Africa and they take some considerable interest in what goes on, particularly in East Africa.

Egypt has had its eye on the Nile Valley. You are aware of the fact that Egypt draws its life-blood from the Nile, and two of the major natural reservoirs of the Nile are in Uganda. We are conscious of the considerable interest that the Japan Government has paid in the whole Nile Valley in Uganda, at least over the last decade, although this is an interest that goes back some considerable distance.

The North African states exercise and exhibit a considerable interest in what is going on in tropical Africa, looking possibly for political associations that will strengthen their own position, and although we have always regarded them as much more naturally connected with the Middle East, they have begun to look southward for further support.

The Casablanca Conference and the Casablanca group of African power is a demonstration of this interest. Tropical Africa was not contacted in this particular connection, and Ghana is the only one of the new states, apart from New Guinea, and a certain passing interest amongst certain French territories that have really shown active interest in the north. British territories have preferred, for the most part, to support a rather moderate grouping of African states which was established in a conference in Monrovia. Nevertheless, it does show an interest of another group in North Africa.

Japan, too, has been showing considerable interest in Africa, with a view, as one would expect, to expansion of its markets. The Asian states have shown considerable interest, too. They have made approaches to the African states, and we have seen a development of an Afro-Asian bloc in various conferences that have taken place in the last decade, and the development of a significant Afro-Asian bloc in the

United Nations; the sudden feeling of common interest between undeveloped territories and between newly independent territories. This has been a sort of cement that has bound them together. Now, in describing this, I have not attempted to say what has been the success of these interests, what has been the success of these attempts you might say to penetrate Africa, possibly to succeed in certain spheres their own colonial powers.

Let us turn to the policies of these countries. The element of the foreign policy and the attitude towards foreign affairs in these countries has followed certain clearly defined lines. They were greatly influenced by the attitude of the Asian states that came to independence. India, Ceylon and Pakistan. In India the primary and central feature of their foreign policy was neutrality; the determination to show they had broken completely away from the old government states, and this element of neutrality is common to all the newly-developed, all the newly appearing African states. They have chosen to call it positive neutrality. I have not been able to discover what is meant by that. I suppose it is neutrality with a determination, but they have certainly attempted to keep clear of the major blocs.

They do take an independent line in the discussion of international problems, and take a very independent line on many occasions in the United Nations. It is interesting that in spite of this, both French territories and British territories have shown a tendency to look for a certain amount of not political leadership but paternal leadership and economic assistance to their own economic powers. In the case of British territories, they have all, immediately upon receiving independence, applied for membership in the Commonwealth, and they have been accepted, and they greatly value that. I know from my own contact with the leaders the value they set on the Commonwealth association.

All of them, as I have already said, look to U.N.O. They all applied for membership in the United Nations and they all tried to have an active part in it. The chief feature which is important which has developed in Africa and is common to all the states is a feeling of what they describe as Pan African. A determination to stand together in the affairs of the world, and to stand together inside Africa for a rebuilding of Africa.

One aspect of it is statements that they will attempt to achieve closer union between African states. We have seen this in the attempt to create a union between Ghana and Mali. We see it in the statements that have been made by Julius Nyerere, the President of Tanganyika, that he will work for East African political federation.

A great deal of support has been given verbally to these ideas. At the back of it, Pan Africanism, apart from the desire to draw the African states together in general association, in some cases in political association, there is growing a fairly strong feeling of "Africa for the Africans." African nationalism is a feature which is mixed up in the general attitude towards the world at large. This African nationalism was the major force inside Africa which created pressures for the grant of independence, and in the independent states now it is beginning to turn two ways. One, towards association with other states which are not independent in an attempt to help them become independent by exercising pressure on the metropolitan power.

The Prime Minister of Uganda, although Uganda has only been independent for six months, appeared in London the other day to exercise pressure on the Secretary of State to grant an early independence to Kenya. He appeared in Leopoldville with other Prime Ministers of Africa to criticize the policy of Belgium and the United Kingdom in relation to Katanga, and attempted to exercise pressure there to draw Katanga into a union of the Commonwealth. It was another aspect of this policy, of the desire, to keep a political group of African states, and not to allow secession.

African nationalism has taken on another feature, and that is an attempt to create a new world image of Africa. The world image of Africa is a place of primitive peoples, underdeveloped peoples, and the African nationalists are now anxious in all these states to create an image of civilized peoples and civilized communities and states that can hold their own in the councils of the world. They talk of a renaissance of African culture; all different aspects of creating a new image, an influential image and a worthwhile image in other people's minds of Africa. They gloss over the fact, of course, that you cannot have a rebirth of something that did not exist, but that is part of the psychology of their new outlook. They are anxious to create an impression.

They talk of the regeneration of the economies of the African countries. Again, you cannot regenerate something that did not originally exist. They use this word with the idea of building up the public impression of these countries. Of course, as I say, in the old days there was no money economy and today it is money economy. It is not an attempt to regenerate it; it is really an attempt to build it up in the first instance, but this word "regeneration" is an important one because it is all part of the attempt to build up the world image.

The whole approach of the African planners and the African states in the beginning was a highly idealistic one, and also a fairly emotional one. They are anxious, as I say, to increase their influence and to improve their image and to demonstrate their independence. These are all general considerations, but like all of us, as we grow up, we have to face the facts of life and we find that at times life does not work out in the rather idealistic way that we have approached it when we embarked on it in the beginning.

They wanted policies in the form of neutrality and to be friends with everybody. This was demonstrated when Russia approached the Prime Minister of Uganda and asked him if he could have a Russian Embassy in Kampala. He said, "Yes, certainly; I want to be friends with everyone." This was the idealistic approach, but as time went on, the experience of the African states with the Iron Curtain activities in Africa has led to some extent to their disillusionment, and I am certain in my own mind that as far as the theory of communism is concerned, communism has no future. What may happen in the future, if we get industrial development, is another matter, but at the moment it has very little prospect of making an ideological progress in the continent.

More than that, they have become, to some extent, disillusioned with the sort of help that has come out of Russia, and there is a good deal of suspicion surrounding the activities of the Iron Curtain countries. We have gone through periods of being very anxious about attempts of Iron Curtain countries to penetrate, particularly in attempts to get students to go behind the Iron Curtain where they may be exposed to indoctrination and exposed to education there. In fact, it seems to be recoiling on the Iron Curtain countries, and they seem to be less popular today than they were. Students who have gone have come back, to some extent, disillusioned with their treatment. Not very many days ago there was a report in the press of a large number of students in Bulgaria objecting to the treatment they had, and of many of them leaving the country. This is the sort of thing that has gone on. They have begun to realize where their friends are, and their first reaction to demonstrate independence and be independent has begun to be militated by the fact that when it goes to the point of their wanting something, at least our own territories tend to turn back to Britain, where they have ties which are older than with the Commonwealth. They will turn to other western nations. I believe only in the last resort will they turn to the Iron Curtain, but they will keep that path open. They will keep themselves independent in order that they can go anywhere for the assistance they need, but it is interesting the way—in which order, and the places where they look.

They have talked a good deal about the philosophy of democracy, and in fact they used democracy as an argument against Britain to establish independence, but they have seen with some dismay, and this is real among some of the East African politicians, the way Ghana has gone.

They realize that the slope from democracy is a very slippery one, and once you are on it a country begins to slide rapidly. They have been very, very dismayed indeed about what is happening there. We realize it is bound up with the ambitions of a single man. This frightens them and makes them look again at their own affairs. This is not to say they themselves will not slip if similar circumstances arise, but they are conscious that there is a difference in Ghana between the ideals that were talked in the beginning and the practice that has developed.

They have seen the personal ambition and, indeed, the imperialism that has developed, not only on the part of Ghana, in their operations in the Commonwealth. This again is frightening to them. They have found that their attempts to secure political association are not going to be met with the easy solution that might have appeared in the beginning.

In East Africa they really talked a lot in the beginning about political federation, but the possibilities of political federation of East Africa are, to my mind, and I think this is becoming clear in East Africa now, becoming increasingly remote. The countries, having become independent, whatever their ideals may be, whatever is spoken, whatever lip service they may give to the idea of federation, are going to find it very difficult indeed to give anything away on which a federation can be based. They will not want to relinquish their own control of their own armed forces; they will not want to let go their seat at U.N.O. They will not want to let go the right of direct representation in other countries, even though the representation at this day may be small.

They may be prepared to co-operate economically, and they may be prepared to co-operate from an administrative basis, but to let go political power, it is extremely unlikely, and federation is as far off, I think, under the independent states as it was under British rule in East Africa, largely for different reasons which I think I should not go into this morning.

What of the future? I believe that the policy of the future will develop along the sort of lines of the analysis that I have now given you. I believe that there will be a widening gap between the ideals that they have laid down for themselves and the practice. We may see development of ambitious men, and I am sure we shall see conflicts of national interest that will eat into the ideology that these independent states have created for themselves.

I think that the scene, the African scene, in the centre, in tropical Africa, will be dominated in the next few years by two big problems. One will be the continuing problem of the Congo, as I do not believe myself that what has happened in the Congo in recent weeks has in any way contributed to the solution of the building of an effective stable state there. I think the Congo politics will continue to dominate the scene.

The second factor that will dominate the scene in the next few years will be the political future of the territories that contain large white settler populations. As far as Britain is concerned, those two territories are Kenya and Northern Rhodesia. I do not propose to attempt to forecast what is going to happen in either of those territories, but very active discussions and examination of the problems that are raised in these territories are under way now by the British Government. One can only hope that the solutions that will emerge from the very active and very careful work that is going on on these problems at the moment will be such that it will bring peace and stability to both those countries.

My final word on Africa, tropical Africa, is that I believe the future of it, the future stability and the way it will develop politically internally and in its attitude externally will depend very much upon the solution of the economic problem. Africa is underdeveloped. It needs a great deal of capital to develop its resources. It will need a great deal of development to provide the wherewithal for the Government to provide the social development that the people are clamouring for and that the governments are anxious to give. The problem, perhaps, is not entirely one of capital. It is also one of making their own way. It is not only a matter of being able to borrow millions on the world market or to get grants of a million or two, say, for a specific project such as schools or hospitals or the development of some industry or hydro-electric property.

It is a question of how they are going to increase the wealth of the country in a way which will provide the Government with additional revenue to carry out the policies that they have in mind. The sad fact is in East Africa, three territories there, there is a gap between the revenue and expenditures on the wrong side. At the moment the British Government has done a great deal to close the gap. In Kenya it is paying considerable sums. It has been paying in Tanganyika an official final settlement to give some assistance for a short period in this direction. The problem will remain unless the money can be invested in territories in a way that will bring an awfully rapid return in terms of money and hard cash, not in returns over long periods, in terms of educated men or healthier men, not that sort of return, but hard cash in the next few years. They are going to be faced with extreme difficulty and inability to match the performance to the policies that they have in mind.

THANKS OF THE MEETING were expressed by Mr. B. R. Curson.

"THE FUTURE OF CANADIAN DEFENCE IN THE NUCLEAR ERA"

An Address by

GENERAL CHARLES FOULKES
C.B., C.B.E., D.S.O., C.D., LL.D., D.Sc.

Thursday, February 28, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: On October 4th, 1945, General Charles Foulkes, our distinguished guest, addressed this Club and gave us a most interesting story of the last Canadian Battles in World War II and the surrender of the German Army. In February and March of that year, he was the officer commanding the 1st Canadian Corps in Holland and during the final battles of that war. He was appointed Chief of the General Staff on August 21st and his service as the head of our forces continued until his resignation was accepted in February 1960. This included his valuable service as Chairman, Chiefs of Staff, for nine years.

General Foulkes was born in the United Kingdom and was commissioned in the Royal Canadian Regiment in 1926. He is still a Colonel of that famous Regiment. He went overseas in 1939 with the rank of Captain, was a Major-General in 1944, commanding the Second Canadian Division in the invasion of France. In November 1944 he became a Lieutenant-General in command of the 1st Canadian Corps in Italy, at the age of 41. He has received honours and decorations too numerous to mention but including Companion of the Bath, Commander of the British Empire, Distinguished Service Order and four times mentioned in

Despatches. He also holds a Doctorate of Laws from the University of Western Ontario and a Doctorate of Science from R.M.C.

For some years, he was the Canadian Military representative to NATO and in 1952 he served as Chairman of the Military Committee of NATO.

On his retirement, Prime Minister Diefenbaker paid high tribute to General Foulkes in his statement in the House of Commons on February 9th, 1960. May I repeat a few lines from the statement:

> General Foulkes combines in one person the brilliant organization and meticulous attention to detail required of a staff officer, with those qualities of leadership and drive which are the qualities of the great field commander. His retirement will bring to an end a lifetime of continued and dedicated service to Canada. Through his years of service his experience has led to his advice being invaluable to a series of governments.
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> General Foulkes has been granted many decorations for his wartime service by almost all the allied governments. His departure will be regretted by all those with whom he has served and led and particularly, by his NATO colleagues.

He has been invited here to address us on the subject: "The Future of Canadian Defence in the Nuclear Era".

GENERAL FOULKES: Over the past few years there has been considerable criticism of Canadian Defence policy. These strictures include wholesale condemnation of Canadian participation in alliances and recommendations for neutrality or placing all our forces at the disposal of the U.N. Then there are those who strongly condemn all nuclear weapons and suggest that Canada should renegotiate out of all these early commitments and go back to the nice conventional way of waging war where only the soldiers get killed. There are others who suggest that perhaps nuclear weapons are all right in Europe but under no circumstances could nuclear weapons be allowed to contaminate Canadian soil. Others would have you believe that Canada has met its commitments, if the men and weapons are provided, and that we have no obligation to provide the ammunition. Such ridiculous nonsense may be politically expedient, but where does it leave the unfortunate serviceman who is committed to battle without ammunition. He is the forgotten man in this nuclear controversy.

Why does such a situation exist? First of all, I think we must realize the tremendous advances and technological developments which have taken place over the past 20 years which had removed our previous security and left Canada in the same exposed position as our European partners who have been vulnerable to aggression for centuries. Many are gravely concerned about this insecurity and seek to find out why more protection cannot be provided for the $1½ billion spent on defence. Secondly, I feel that those in authority have not been too sure of the course they intended to go and as a consequence have been unable to steer the public opinion in the right direction. In order to be able to take a critical look at what Canada should be doing in the defence field in the nuclear era, it is necessary to have a clear concept of what defence is possible today and in the next few years.

The rapid development of military technology particularly in the field of offensive weapons has challenged the ability of a nation or alliance to continue to provide direct protection for its people, its territory and its airspace. The introduction of the ballistic missile with a multi-megaton warhead which can be delivered from outer space, from under the sea, or from an aircraft in flight at great distances, and with astonishing accuracy, has posed a direct defence problem which as yet defies military solution. It is this achievement in the field of mass destruction weapons and the invulnerable methods of delivery that has created a most difficult defence problem. There is no defence against the ballistic missile.

This situation is aggravated by the inability of the defence scientist to produce protective devices to catch up with multifarious forms of delivery of mass destruction weapons. While a great deal of money and scientific effort is being devoted to finding a satisfactory solution to the defence against the ballistic missile, the answer is as yet uncertain and if it comes it will, no doubt, be extremely expensive.

There are also grave doubts that devices to provide protection against mass destruction weapons will ever catch up with the innovations that are foreseeable for the delivery of destruction from outer space, in shorter time and in larger doses.

If it had appeared feasible to provide even an element of protection against the ballistic missile attack, a most compelling case could be made to rally public support for such a project of directly defending this country, even if it involved the wholesale acquisition of nuclear weapons and increased defence expenditures. Unfortunately such a situation does not exist today or in the foreseeable future and Canada must of necessity rely on collective efforts to provide defence by means of deterrence to war. Therefore Canada's defence effort at present and in the foreseeable future is limited to providing effective contributions to the various forces in Europe, in the North Atlantic and in North America to support the efforts to deter war. Canada has some leeway in deciding in consultation with its partners the extent and composition of these contributions, but it should be emphasized that any revision of these contributions should be the result of negotiation and not, as some have suggested, by renouncing these previous undertakings or by neglecting to provide the necessary ammunition to fulfil these obligations.

One of the major difficulties in assessing the best Canadian contributions is the rapid strides being made in the technology of weapon development. This results in the development of weapons of ever increasing complication and complexity, which take several years to develop, produce and test. The modern fighter aircraft such as the "Arrow" and anti-aircraft missiles like Bomarc take up to 8 years to design, develop, test and produce. The result of this time lag is quite apparent in the air defence field, no sooner is the Bomarc defence ready for operation than the conventional bomber is superseded by the intercontinental ballistic missile as major delivery system for the megaton weapon. Therefore our future Canadian contributions must be kept flexible and relatively simple in character and within the bounds of what can be accomplished within our limited resources of funds and technical ability.

The Hon. Lt. Col. J. Keiller Mackay, February 18th, 1963

General Charles Foulkes, C.B., C.B.E., D.S.O.
February 28th, 1963

Another aspect of this problem of providing effective defence contributions is the requirement for fully trained and equipped forces instantly ready for active duty. It must be realized that to be effective as a contribution to the deterrent, the forces must be trained, equipped and on the spot when the trouble breaks out or mobile enough to be able to reach the area within a few hours. This aspect is of considerable importance in the field of preventing local disturbances and breaches of the peace from developing into major East-West struggles. This is an area where Canada can play an increasing part without becoming embroiled in the frustrating and expensive arenas of modern weapon development.

Within this background it would appear timely to examine the present Canadian commitments and ascertain the value of each contribution as part of the deterrent and to determine the necessity of providing nuclear warheads to honour our present commitments and to examine the possibility of negotiating, variations and revisions of these undertakings.

The size and the scope of the United States Strategic Forces in North America are considered adequate for carrying out the tasks of retaliation. This force is composed of a large number of inter-continental bombers capable of carrying several multimegaton bombs, augmented by hundreds of intercontinental ballistic missiles capable of delivering multimegaton warheads. A Canadian contribution to this force is neither necessary nor desirable. However there is one inherent weakness in the North American deterrent position. The West is always on the defensive and will not engage in a preventive war or launch a pre-emptive strike. Furthermore the recent announcements of the U.S. President indicate that he is not prepared to loose the terrific forces of retaliation on receipt of strategic warning and may await confirmation that an actual attack is under way or has taken place before he will authorize retaliation. Therefore the West must be capable of absorbing the first Soviet strike and still be able to deliver sufficient punishment to be unacceptable to the Soviet Union. In other words, the deterrent must be so organized, dispersed and protected that it is apparent to the Soviet Union that it cannot destroy the whole of the retaliatory force in the first Soviet blow and avoid retaliation. Because of this situation the United States continues to maintain a large bomber force as well as intercontinental ballistic missile squadrons. On receipt of a warning this bomber force can be dispatched to the fixed rendezvous enroute to the target, where it can be held pending definite orders to proceed, or return home, if the warning proves to be an error. This same kind of procedure is not possible for the missile, once it is launched it cannot be recalled. This particular capability of the bomber is one of the reasons for maintaining a bomber force, and reinforces the need for continuing to provide some kind of bomber defence for the next few years.

For some years now Canada has been providing early warning and interceptor aircraft as defence against the conventional bomber attack, but these arrangements do not provide any defence against the intercontinental missile of the air launched ballistic missile. In view of these facts it is sometimes suggested that the present air defence system should be abandoned. If the present air defence arrangements are scrapped there will be no defence against the bomber, which is a more accurate, flexible and cheaper form of delivering megaton weapons than the missile. Furthermore, the Soviet Union still has over 1,000 bombers in service and if no defences exist, the bomber would have just as invulnerable a flight to its target as the missile. Therefore while this present air defence system is of diminishing value, as long as the Soviet Union has a long range air force 'in being' it is necessary to provide a modest air defence system. Without such defences Soviet reconnaissance forces could roam around in Canadian airspace and Soviet bombers could augment any missile attack on North America without any risk of being shot down. Such a situation would be an open invitation to attack North America with a bomber force.

I hope that the necessity of continuing a modest air defence system has been established. Let us now examine the need for nuclear warheads. The Canadian interceptor force has been reduced from nineteen squadrons to five and has been re-equipped with the U.S. 101 fighter. These aircraft are armed with a Falcon air to air missile which can use either a conventional or nuclear warhead. There is also an air to air atomic missile known as the Genie which carries a large nuclear charge, a near miss with this type of weapon will bring down the bomber. We are sure that all Soviet nuclear bombs will be equipped with a 'deadman fuse' which is a barometric device that will detonate the bomb at a fixed height above the ground even if the bomber has been shot down. When the defensive nuclear warhead explodes it releases neutrons which neutralizes the atomic bomb in the carrier and prevents it from exploding. This neutralization of the bomb prevents a nuclear explosion and the ensuing release of vast quantities of fallout in the air battle area, the main part of this area is over this country. This is why it is so necessary to use a nuclear blast against an enemy bomber.

The situation regarding the Bomarc installations seems to have been misunderstood. In 1957 the U.S.A.F. decided to augment their interceptor forces with a number of long range anti aircraft missiles to cover the approaches from the North by sites South of the Canadian border. The Bomarc missile was designated to intercept bomber aircraft at ranges up to 400 miles and bring down the bombers in the oceans or beyond the settled part of Canada. Conventional warheads were never contemplated for the Bomarc B as it was hoped to neutralize the enemy bombs and in this way reduce amount of fallout and radiation in the battle area.

During the early stages of selecting the Bomarc sites behind the Canadian border, the United States Air Force suggested that better coverage of Eastern and Northern approaches could be obtained if the two Bomarc sites were located North instead of South of the Great Lakes. Furthermore if the sites were further to the North much of the debris and unexploded bombs would fall on the uninhabited part of Canada instead of on the settled area of southern Ontario and Quebec. The U.S.A.F. were prepared to bear the full cost and man these sites or make any other arrangement suitable to Canada. After a lot of negotiation it was agreed that the U.S. would supply all the equipment, Canada would do the construction, and the missiles would be manned by the R.C.A.F. The launchers are installed at

North Bay and work is being completed at Maccaza in northern Quebec; the launchers are there but there is no ammunition.

The United States considers these sites as an integral part of a U.S. chain of defences against the bomber threat which menaces the bomber element of the retaliatory forces; it is the United States' announced intention to maintain this defensive system against the bomber for some time to come.

Can Canada renounce a defence arrangement made in good faith and ⅔ of the cost paid for by the U.S. and considered a vital part of the defence of the deterrent? It has not been Canadian practice in the past to revoke solemn treaties with our allies; nor should Canada leave a gaping hole in the defences on the most direct approach to the U.S. strategic bases. Until it is certain that the Soviet Union has abandoned the use of bombers, which is certainly not the case at present, this defence against bomber attack is necessary.

What are the alternatives? The simplest and most honourable course is to live up to the agreement and stockpile the nuclear warheads at the sites; allow the U.S.A.F. to provide the warheads and man the weapons until the bomber threat disappears, or is removed by a disarmament agreement; and request the U.S. to site the weapons south of the border as previously planned, put up with the possible damage to our country and offer the U.S. compensation. Neither of the last two alternatives will improve our present strained relation with the United States.

In 1950 at the urgent request of General Eisenhower the Supreme Allied Commander, Canada agreed to station Canadian troops in Europe in peacetime, on the understanding that as and when the European partners increased in military and economic strength the forces from North America would be brought home and the Europeans would become responsible for their own territorial defence. In due course Canada provided a brigade group of 3 infantry battalions and supporting troops about 6,000 all ranks and an air division of 12 day fighter squadrons, about 300 aircraft. There is no doubt that this commitment should be reviewed in the light of the changing economic and military strength of the European partners in the Alliance.

The brigade group in Europe is carrying out a forward defensive role covering the East German border. As the German forces are built up to the full strength of twelve divisions it would appear advisable to withdraw the brigade group from this forward role and allow the Germans to take over full control of their own border.

What kind of a new task could be negotiated with the NATO authorities, and would it be possible to negotiate a task not involving the use of nuclear weapons? The brigade group could be placed in mobile reserve and this role may prove to be a more suitable contribution than the forward role. It has been suggested in some quarters that the brigade group should be brought home as soon as the Germans are prepared to take over the border task. There is no doubt that this contribution to the NATO forces in Europe is not as important today as it was in 1951 and with the substantial rise in the European economy it can be argued that the European partners should be capable of looking after their own territorial defence. However if Canada intends to maintain an active Army it must have some kind of an operational role, and for the foreseeable future a task as a mobile reserve would provide an independent role suitable for the Canadian forces.

The brigade could be reorganized as an air portable brigade which could eliminate the necessity of heavy support weapons such as the Honest John, which requires a nuclear warhead. The brigade could have a parachute element which suits the Canadian aptitude and training. An element of airlift would have to be provided, but this could be considered when seeking an alternative role for the Air Division. Such a reorganization would provide a ready reserve available to move to any part of the NATO area on short notice. Such an airportable force with even a limited airlift would be an immediate ready force that could, in an emergency, be used to meet an urgent U.N. commitment if the situation in Europe allowed, and greatly add to the flexibility of the Canadian defence effort and avoid for some time the complexities of nuclear acquisition and control.

The air division is to assume a new role, that of "Nuclear Strike Reconnaisance" in the NATO forces in Europe and is being equipped with the F-104-G strike fighter aircraft and armed with a small tactical atomic bomb.

The new role of "Strike Reconnaissance" was recommended over five years ago, but it will be another year before the re-equipping is completed and the air division is ready to take over completely its new task. In this era of rapid development of military technology it is doubtful if full value will be attained from this re-equipping effort, taking into account the six years delay. Already there is a body of scientific opinion that is expressing concern about the vulnerability of aircraft operating from fixed runways under the present short range ballistic missile threat. Various antidotes have been suggested, such as the use of alternative air fields and the fitting of vertical take-off devices to enable the aircraft to take off from short and soft runways, but these are only temporary expedients. There is no way of hiding several miles of concrete and so far there is no possible defence of these vulnerable fixed targets against the present ballistic missile threat.

Along with the uncertainty regarding the feasibility of this new role, there are other difficulties in connection with the acquisition and control of the atomic bombs which are the only armament for this particular strike role. Besides the apparent reluctance of the government to negotiate for the stockpiling of the nuclear weapons in Europe there is another serious problem in connection with the control and use of the atomic bombs.

Some three years ago the French government announced that it would no longer permit the storage or use of atomic weapons on French territory except under French control. This action caused the United States to move its atomic strike squadrons to the United Kingdom. As two of the four Canadian airfields are in France this French action has limited the number of airfields available for the nuclear task to the two airfields in Germany. This restriction doubles the vulnerability of the Canadian squadrons to the present short range ballistic missile threat.

In view of the doubt cast on the feasibility of this role, the stubborn attitude of the French and the long delay in acquiring the aircraft, this role is unlikely to be a satisfactory and continuing commitment. With this uncertainty and the ever shortening life of modern combat aircraft (some three or four years) it is quite likely that another role will be needed in the not too distant future. Therefore perhaps we should look at what could be negotiated for the air division.

Any new role should be of such a character that it will allow the use of more durable equipment with a longer life, create more flexibility, and arouse much more public support. It would appear that much more flexibility would be obtained and a longer life could be seen for the equipment if an air transport role was adopted. Such a scheme would provide part of the airlift for the air portable brigade. A re-organization of the Canadian contribution to NATO would allow for the whole Canadian force to be concentrated in one enclave, with one administration, one set of amenities, schools and accommodation, instead of two separate establishments as exist today. This kind of arrangement would be more economic and provide a clearer indication to NATO of the extent of the Canadian contribution. Furthermore, this mobile ready force would allow for a much greater flexibility in meeting urgent U.N. requirements, in assisting in the task of maintaining peace anywhere in the world.

It is often stated that the Generals are busy preparing to win the last war. The statement seems applicable to the Admirals as well. The NATO navies have not accepted realistically the concept of all out nuclear war. They seem to like to cling to the last war roles of protecting convoys from attack by the slow conventional submarine. We are continuing to build anti submarine vessels with little if any margin of speed over the conventional snorkel submarine. While the problem of today and in the future is to come to grips with the really urgent problem of coping with the nuclear missile carrying submarine which can travel submerged half way round the world and fire ½ megaton missiles 2000 miles inland.

The nuclear submarine is capable of launching a ballistic missile from a submerged position and at ranges of over two thousand miles. On the other hand the present detection methods, while considerably improved, are limited to a couple of hundred miles. Furthermore, the submerged speed of the nuclear submarine is faster than the surface speed of our most modern anti-submarine vessels. Various expedients are being tried to close these gaps, such as mounting helicopters on the anti-submarine ships. By means of this device it is hoped to be able to extend the area of search well ahead of the ship and to make up for the lack of speed of the ship once the submarine is located. However the helicopter is at present a "fair weather bird" and cannot operate in conditions of poor visibility and severe turbulence. Therefore there are serious limitations to its uses, especially in the Canadian sector of the North Atlantic in winter months where bad weather conditions are both constant and severe.

For some years the scientists have been working on the development of larger types of hydrofoil vessels for this anti-submarine role and quite high surface speeds have been accomplished, but here again the problems of endurance and stability in the severe weather conditions of the North Atlantic still plague the efforts of the scientist in producing a satisfactory anti-submarine hydrofoil vessel.

Some of the experts advocate a specially equipped nuclear submarine as the only effective counter to the missile carrying nuclear submarine. While this new approach may have some appeal, there are some shortcomings to this solution. At the present time the submarine has some limitations in the field of long range detection and inadequate communication arrangements with aircraft, and surface vessels. Furthermore, this type of nuclear submarine costs somewhere between $75 million and $100 million and in view of the limited amount of funds available for equipment it is very unlikely that room could be found to purchase many of this type of anti-submarine vessel at present.

The acquisition of nuclear depth charges and nuclear torpedos will no doubt enhance the chances of destroying a submarine once it is located but the urgent need is for the development of detection devices with greater range and increased accuracy to locate the submarine; therefore these nuclear weapons will be of little use if we are unable to locate and catch up with the elusive submarine. Therefore, while a good case can be made for the necessity for a Canadian contribution to the deterrent in the North Atlantic, the threat is changing very rapidly and there appears to be some doubt as to whether our present methods, equipment and tactical doctrine provide an acceptable answer to this problem. There is an urgent need for a complete scientific and operational reassessment of this problem and a strenuous effort made to work out with our NATO partners a single and comprehensive solution to ensure that more adequate results are attained commensurate with the effort being expended in this maritime field.

When discussing the re-organization of the Canadian forces in Europe it was suggested that the brigade should be given much more mobility, by providing an airlift and that if conditions allowed this airlift could be used to meet an urgent U.N. request. This use of the Canadian forces to support the U.N. seems to foster public support, as it appears a tangible way of reducing tension in disturbed areas and preventing armed conflict. Some critics have gone so far as to recommend that Canada should place all its forces at the disposal of the United Nations. Perhaps this aspect of the problem should be examined along with the problem of meeting U.N. requests with greater dispatch.

Canada has played a part second to no other country in providing military personnel for the U.N. mediatory forces and for the International Truce Commission in Indo China; this has been a very important contribution by Canada to the maintenance of stability in the Middle East, South East Asia, and Africa, and the provision of such forces is given high priority in defence planning. It would be helpful of course if the U.N. Emergency Force could be set up on a permanent stand-by basis to avoid improvision in emergencies. If this could be done, Canada should certainly make its appropriate contribution. There has however been too much opposition to this proposal on the part of the Soviet bloc and the uncommitted countries to accomplish such an organization. In addition it has been recognized that there are different requirements for each emergency. In Indo China the need was largely for officers, in the situation which arose out of the Suez crisis, Canada prepared a battalion and arranged to ship the unit with all its stores and equipment aboard the former aircraft carrier Magnificent, which had been converted to a sea transport vessel. Unfortunately the battalion selected was the "Queen's Own" and this sounded far too British for Nasser to stomach and the Egyptians refused to accept the unit. To avoid a serious breach in U.N. relations, the contribution was changed to the provision of administrative and supply troops. This incident illustrates that U.N. operations are strictly limited and the forces can only function with the concurrence and cooperation of the nations concerned.

It should be constant Canadian policy to make our armed forces available for United Nations service and even to declare that they will be used only for purposes consistent with the U.N. Charter. This does not mean, however, that Canada or any other country is expected to turn over its forces to the direction of a non-existent United Nations command to be used in accordance with the will of any fleeting majority in the Security Council or Assembly.

We must continue, however, no matter how tiresome and provoking it is, to fully support the U.N. in its efforts to solve the complicated international problems and maintain the peace. It is vitally important that the middle powers, such as Canada, should undertake these tasks so that intervention by the giants—the U.S. and the Soviet Union—is never made necessary by the refusal of the middle powers to take over this responsibility. If the giants come in, then it will only mean they would come in from opposite sides and perhaps take up positions from which they could not back down and lead to a conflict which no one wants.

I have reviewed with you our committments in NATO and NORAD, made some suggestions for the future and some comment on the need for nuclear weapons to carry out the tasks. I have tried to show where adjustments are possible to minimize the use of nuclear weapons, because I believe that any defence policy must command a large measure of public support and the adoption of tactical nuclear weapons seems to have been ineptly handled, with the result that some strong vocal opposition has developed. Therefore like other strong medicine it should be administered in small doses, until some of the fears, prejudices and misunderstandings have disappeared.

In appreciating the nuclear problem there are several aspects that should be considered. Firstly, that while we have certain leeway in selecting the tasks for our troops within the alliance, we have not full licence to dictate the type of weapons our troops are to use in carrying out these commitments. The kind of weapons likely to be used by the enemy is a most compelling factor in such a decision. We must never allow our scruples, moral or religious, to commit our troops to combat with weapons inferior to those of the enemy. It is too often forgotten that we have very grave responsibility to those we commit to risk their lives on our behalf.

Secondly, we must realize that we live in the atomic age and that atomic weapons like atomic power is here to stay, we cannot turn back the clock, much as we may like to. We will have just as little success in preventing the further development of tactical nuclear weapons, as our forefathers had in opposing the crossbow because it was an unchivalrous weapon and gunpowder because it was too destructive. As technology progresses nuclear energy will replace TNT as a propellant and explosive in the majority of support weapons. Already the heavy artillery has given way to the tactical nuclear rocket, the anti-tank gun of the last war has been superseded by relatively small but very powerful anti-tank projectiles. In a relatively short time the so called conventional division will of necessity have to rely on nuclear support.

Now a word about the arrangements which are necessary to ensure that nuclear warheads are readily available for our troops if they are attacked. There is a lot of subterfuge misinformation and confusion about this issue.

In 1956 the U.S. offered to make available stockpiles of nuclear weapons to the NATO partners including Canada. At the NATO Prime Ministers' conference in Paris in 1957, which the present P.M. attended, the NATO organization accepted a policy of nuclear strategy and the provision of tactical nuclear weapons for NATO troops. The United States laid down certain conditions for supplying these weapons. Each country was required to negotiate a bilateral agreement, to the effect that the U.S. would establish these stockpiles on foreign soil and would retain ownership and physical custody of the weapons until such time as the President considers that the weapons were needed to withstand an attack on the West. At such a time the

President will transfer custody and ownership to the country concerned. The country can then authorize its troops to use the weapons or send them back.

You will observe that under such an agreement Canada does not buy, beg, borrow, or otherwise acquire a single weapon until war is imminent. Therefore by any stretch of the imagination is the spread of nuclear weapons increased, as the weapons remain the property and in the custody of the U.S. Nor does Canada become a member of the nuclear club as we will not have any weapons at our disposal to offer as the entrance fee.

We often hear the cry that Canadian troops should not be armed with nuclear weapons on moral and religious grounds and that if we avoid nuclear contamination we will have a greater influence with the uncommitted Asian and African nations in the U.N. This is wishful thinking and verges on hypocrisy, all the members of the U.N. are aware that Canada has made handsome profits out of the sale of uranium for weapons production, and that we have protested very strongly when Britain and the United States reduced their purchases of uranium. Therefore, as long as we continue our activities as a peddler of uranium we will not make much of an impression, with our ardent condemnation of the use of nuclear components, on moral or religious grounds.

On the other hand I can well appreciate the universal concern about the possibilities of survival when billions of tons of destruction are piled up on both sides of the Iron curtain. But I think we will have to look a bit deeper for a solution than the condemnation of a particular type of weapon, because it is not the weapons which threaten our survival but those who want to use them to get their own way. Let us look for a moment on this question of the use of force in this era of nuclear plenty.

I am convinced that we have gone so far in the production of force and in making it so readily available, I seriously question the use of force as an instrument of policy. Once one of the great Powers resorts to the use of force to attain a political objective it has no alternative than to continue to use more and more force until the objective is attained or it capitulates. In this process the world may be destroyed.

In the civilized world we have ceased to allow the use of force to settle personal differences; fighting, threatening, and duelling are no longer tolerated. No longer do men carry swords and side arms to be able to defend themselves and settle their differences with their fellow men. The Courts and their officers have been set up for this purpose of settling individual differences and disputes. It is my view that nations big and small are going to be forced to adopt a similar code as they insist on for their nationals.

I take issue with those who say let us go back to conventional weapons, as if it was all right to settle disputes by conventional means when only the soldiery get killed but the world is saved from destruction. Can you really turn back the clock? If you can, why not turn it right back to bows and arrows, or better still, to the caveman's club. Would reverting to conventional weapons and turning all the uranium over for peaceful purposes save the world if force were still used as an instrument of policy?

Suppose the U.S. and the Soviet Union agreed to destroy all the nuclear weapons, and each side played the game; then the U.S. and the Soviet Union had differences and decided to go to war with the conventional weapons they had available. Each would continue to use more and more force as it became available. While the atomic bombs may have been destroyed, the scientists and technicians would still possess the knowhow, as you cannot brainwash the scientist. The experts tell me that if the fissionable material is available for the production of power it would take only a few days before the production of bombs could be started. Right enough the rate of production may be slow, but the nuclear war would be again possible with all the horrendous destruction. Therefore the destruction of the existing stockpiles does not appear to be a real answer to this dilemma.

I have come to the conclusion that attempts to limit the use of force by banning certain types of weapons, or by partial disarmament including all types of nuclear weapons does not appear to be the right answer to this dilemma. I am convinced that the use of force as an instrument of policy must be abandoned. The settlement of international disputes must no longer be sought by the use of force but by negotiation and other peaceful means. This does not mean giving up, but we must find accommodations, other means of exerting pressure on offending powers than the use of military force. This does not mean that we will not be required to defend ourselves against aggression. We will need defensive forces for a long time to come but we can afford no longer to use force to get our own way, nor can we rectify mistakes made in negotiation by resorting to the use of the Armed Forces.

This of course is a long-term aim but it has taken over fifty years to convince the individual that the rule of force is outmoded and it will no doubt take a long time to do this for nations. What should we do in the meantime.

The Cuban incident has shown very clearly that the Soviet Union and the United States are prepared to seek other avenues of approach to settle their disputes than resorting to all out nuclear war. Both appreciate the consequences, but both distrust each other and indulge in threats and missile rattlings.

The greatest danger today and in the foreseeable future is not a planned war but a war arising out of miscalculation or accident. The chances of an accidental war are increasing every day with the introduction of missile detection devices which detect missiles immediately they are launched and our dependence on automatic electronic devices for early warning, and for the control of retaliatory weapon systems. These electronic devices are not infallible and sometimes make mistakes. A missile detection device in Thule Greenland reported some time ago an unknown object in the airspace over the Arctic, on further investigation it was found to be the reflection of the station's radar bounced back from the moon. Another incident occurred recently, when an electronic computing device made a $2,000,000 mistake in calculating the supply requirements of the U.S. Army in Europe. While the fact that the U.S. Army has too many socks in Europe does not matter very much, however, a similar error in another type of electronic device which provides information on a possible missile attack may start the whole machinery of retaliation by mistake. When the U.S. and the Soviet Union start testing the simultaneous launching of large numbers of missiles without previous notice, these missiles launched into space will be picked up by the detecting devices and may well be mistaken as the start of a hostile attack, and in the few minutes available someone in authority may take the wrong decision. This is a very acute and increasing danger, especially during periods of tension, when negotiations may have broken down, tempers are short, threats and counter threats are being hurled about. At such a time, a mistake of an electronic device, an error of judgment by a staff officer, or the failure to discriminate between a test and the beginning of a strike could precipitate world disaster.

Therefore I believe that the most urgent measures needed to forestall our early destruction are positive steps to eliminate the possibility of a war by accident or miscalculation. One of these steps is for better communications between Washington and Moscow, so that an error or misunderstanding can be explained before retaliatory action is taken. The much harpooned idea of a direct telephone line between the White House and the Kremlin was a move in the right direction.

Agreements are urgently needed for the prohibition of the use of space by armed satellites, and for a mutual reporting system for all launchings of missiles and satellites.

It is of some comfort to learn that President Kennedy is taking positive steps in this direction. The former 'Dulles' strategic policy of 'immediate massive retaliation' has been abandoned and the President has announced that he is not prepared to launch the forces of retaliation on early warning of a possible attack but will await confirmation and may even delay the decision until some of the actual missiles have arrived.

Positive steps are being taken to eliminate any possibility of premature or accidental firing of the retaliatory missiles. A most positive personal control has been established to prevent the firing of any of the strategic weapons without the expressed order of the President. All these measures and many others will considerably limit the possibility of war by accident or by miscalculation. We hope that Khrushchev is implementing similar precautions.

It is the reverberations of this power struggle between the Soviet Union and the United States, which is likely to generate the greatest threat to our survival today and in the foreseeable future. Therefore the greatest defence contribution that Canada can make today is to expeditiously settle our defence difficulties with the United States and become again a reliable and trusted partner in the defence of North America. In this role as a true partner we will be able to again consult with the United States as we have in the past, and be able to advocate and encourage even more steps to avoid nuclear conflict.

This, gentlemen, is our greatest contribution to Canadian defence.

THANKS OF THE MEETING were expressed by the Hon. Paul Hellyer, M.P.

"AUSTRALIA'S NEW FRONTIERS"

An Address by

DAVID O. HAY, D.S.O., M.B.E.
High Commissioner for Australia

Thursday, March 7, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: I am delighted to present to you today, His Excellency David O. Hay, D.S.O., M.B.E., High Commissioner for Australia in Canada.

We are delighted to welcome to the Empire Club, this distinguished representative of our sister nation in the Commonwealth and are delighted to break bread with him and congratulate Australia on the wonderful welcome its people have extended to Her Majesty, who is the Queen of both of our nations.

During the First Great War, I spent sometime as a junior officer in the British Army under General Allenby in Palestine and I shall never forget the tremendous courage and power of the Australian forces, particularly its Cavalry. They were a most important part of that campaign. Of course, you are all familiar with the story of the Aussies in the Anzac forces in the last war.

Mr. Hay served in the Australian Infantry during World War II. He was awarded the Distinguished Service Order, made a member of the Order of the British Empire and was wounded in action. Since then he has become a career officer in the diplomatic service serving in various countries. He has twice been a delegate to the General Assembly of the United Nations, has been Australian representative on SEATO Council and has attended the Imperial Defence College in London. He is accompanied in Canada by his wife and one son. Another son is at school in Australia.

He will now address us on the subject: "Australia's New Frontiers."

MR. HAY: For an Australian representative adressing a Club of this name, the timing could scarcely have been happier, because at this time Her Majesty the Queen, accompanied by Prince Philip, is in the midst of a triumphal tour of Australia. I think it is still true that those members of the Commonwealth who share the ties of loyalty to the Throne are closer to one another within the great family of the Commonwealth than those who have chosen to become republics and acknowledge the Queen not as their sovereign but as a symbolic Head of the Commonwealth of Nations. There has never been doubt of Australia's position in this matter. As Mr. Menzies, the Prime Minister of Australia, has put it: "We in Australia are Queen's men." This feeling is reflected in the spontaneous warmth and enthusiasm with which the Queen is being greeted wherever she goes during her present tour.

This same tie binds us in a special brotherhood with Canada. It reinforces the historical links which bring our two countries together—links of common history and tradition, forms of government, respect for the law, non-political civil service, and regard for the rights of all citizens. These links have in turn been fortified by the fact that Australia and Canada have shared great common enterprises in times of war and in peace. One of the happiest recollections of my many trips across Canada, since I have been representative of Australia in this country, has been the number of occasions when Canadians have told me of the friendships made with Australian airmen who were here in thousands as part of the Empire Air Training Scheme during the Second World War. I recall, too, many affectionate stories told of the relationship between Canadian and Australian forces in the First World War. There was, it seems, a spirit of competition between our two Armies, competition in the military sense in winning distinction on the field of battle. That competition bred a comradeship which still persists. It was certainly thought fitting by Australians in Korea not so long ago that Australians and

Canadians should fight together as members of the British Commonwealth Force which served under the United Nations flag in Korea.

I chose the words "New Frontiers" as part of the title of this address not because I was transplanting to Australia a phrase that is essentially of this continent, but because I thought the words accurately reflect the sense of change, adventure, and challenge which is current in Australia. For we are in a period of discovery which is going to do away with some of the frontiers that have tended to confine us to certain relatively small areas within our great island continent and which might have prevented us from fully occupying its vast land spaces. It is a period of discovery of resources which were not guessed at as little as twenty years ago—either new resources altogether, such as uranium and bauxite, or else new deposits of resources which we had always exploited in a limited degree but which we did not realize we had in quantity. Copper is one example. Iron ore is another. Until 1960, the total of high-grade iron ore in Australia was thought to be no more than 350 million tons. Indeed our resources were so small that in 1938 the Government of the day banned all export of iron ore. It was only in 1960 that the law was relaxed to the extent of allowing export of half of any new discovery of iron ore. By 1961 it was discovered that there were no less than 2,000 million tons of iron ore in the Pilbara district of Western Australia. And further investigation since that time has indicated that those deposits amount to 600 million tons of high-grade iron ore and 5,000 million tons slightly lower grade iron ore.

You are of course aware of the tremendous efforts that are being made in the discovery of oil in Australia. These efforts have, in the last year, been attended with some success, and in the Moonie oil field, not far from Brisbane, Queensland, some 13 successful wells have been drilled. However, this does not mean that Australia is a producer of oil in significant commercial quantities and much remains to be done before we are. But this is a vastly different picture than the one which an Australian High Commissioner would have been able to paint to this audience as little as ten years ago. These great new discoveries are clearly important in adding strength to Australia's economy. But they are also important in forcing back the frontiers of climate which have confined our main areas of settlement to the coastline. For these new discoveries have, by and large, taken place in the less settled parts of Australia. Many of them are in the tropical north. Others, notably the iron ore resources, have taken place in sparsely settled areas of Western Australia.

These discoveries will tend to open up new areas of Australia to more intense settlement. As is clear from Canadian experience in building up communities in areas in the north of this country which were thought to be inhospitable, once the incentive is there, then communities can become established and thrive. Facilities for living a normal life, such as in our case air conditioning, will soon be provided.

Occupation of our island continent, roughly the size of Canada, is a fundamental object of policy. As yet it is relatively sparsely settled. Only in the temperate zones of the coastal areas is there any substantial density of settlement. There has always been a vast area in the centre of Australia, and in the north, which, for climatic reasons, seemed bound to remain sparsely populated. These open spaces must be attractive to some of the overcrowded, highly populated countries of Asia, particularly if governments arise which are unfriendly to Australia and are dominated by an urge to expand. It is basic Australian policy that our continent should be occupied without delay by people of our own choosing. This is why we are tremendously encouraged by this frontier-breaching effect, even though it is of secondary importance to the economic effect, of our period of resource discovery.

Indeed this sound economic reason for population movement has given impetus to groups in Australia who feel that now is the time to bring science to bear on the root cause of our underpopulated centre, the uneven distribution of our water resources. Rainfall is only abundant in the coastal areas. Even here the fast flowing rivers, rising in our coastal mountain ranges, tend to drain off the greater part of that rainfall straight into the sea. Is there not some way whereby the waters can be drained not into the sea, but into the centre of Australia? Alternatively, or additionally, is there not some way by which sea water can be economically converted and piped into the central part of Australia? Diversion of coastal rivers has been suggested many times before, but it was thought to be a rather expensive and visionary idea. However, since the war, it has proved to be entirely practical, if, of course, extremely expensive. The proof is to be seen in the large-scale engineering project which is being executed by a government authority in the Snowy Mountains area in the southeast corner of Australia. This scheme had its origin in the needs to produce reserves of electric power for the growing industries of the States of New South Wales and Victoria and to increase the amount of water available for irrigation from the Murray and Murrumbidgee Rivers.

Power is being produced by impounding water from coastal flowing rivers at a high level, diverting it by means of tunnels through a series of underground generating stations. The water thus diverted, having produced electricity, flows out into rivers which water the inland. It can be used for irrigation. It is not lost to the sea. This is a costly project, but its success suggests that it might be repeated on a smaller scale elsewhere in the country.

I spoke of the alternative possibility of using salt water as a means of overcoming the uneven distribution of Australia's water resources. Just the other day one of Australia's leading scientists, Sir Marc Oliphant, said that nuclear power would revolutionize Australia's water resources. Sir Marc, who is Director of the School of Research in Physical Sciences at the Australian National University in Canberra, said that the latest information indicated that a nuclear power plant costing perhaps one billion dollars could convert one billion gallons of sea water into fresh water every day, which was more than enough, as an example, for the complete needs of Sydney and Melbourne, each of which has a population of some two million persons. Sir Marc Oliphant went on to say that at the same time such a plant would produce more than enough power to pump water into reservoirs miles from the sea and would yield large quantities of chemical by-products. Sir Marc added that he would not be surprised if nuclear power was being used in Australia in the foreseeable future to create huge reservoirs filled with fresh water processed from the sea. And so it is no longer just visionary to think of our empty spaces being eventually much more heavily settled than they are now.

I have spoken so far of developments within Australia. The story of Australia's new frontiers would not be complete without a brief word on two important external developments. The first of these is the realization in terms of political and economic, as well as military, facts that Australia's destiny is closely linked with the destinies of the nations of the Asian continent, old and new. This has been brought to our attention in many ways. For the younger generation of Australians, the point is best illustrated by the fact that at any one time in Australian schools and universities there are no less than ten thousand students from Asia taking part either as private students or as Colombo Plan students in the academic and scholastic life of our country. The experience of this younger generation is very different to that of their parents. Our younger generation is entirely conscious of our Asian destiny, because Asia has come to Australia.

The same thought, for different reasons, is very much in the minds of our business community in Australia. More than half of the world's population of 3,000 million lives in Asia. Asia's population will increase by perhaps 500 to 600 million in the next two decades. The potential significance of this for Australia in economic terms can be illustrated when I say that Japan is now displacing Britain as our greatest single market. This has come about because of the rapid rise in the wealth and economic growth of Japan. The prospects of other countries in Asia breaking through in a similar way in the foreseeable future are somewhat less certain. True, China has provided a substantial market for our wheat and also for our wool in the last two or three years.

But the new countries of Asia, with their tremendously increasing populations, are, for the most part, at a very low standard of wealth and development. The sorts of products on which they would most wish to spend their limited funds available for imports are not necessarily those which Australia produces for export in great quantity. But there will be some gains, and I think we can legitimately expect to share in providing the vital capital goods for the industrial development of these new nations. Our exporters are certainly active in seeking such a share. Essentially I am describing a long-term trend and not a short-term panacea. Certainly we cannot look immediately to Asia to provide alternative outlets to compensate for export losses to be faced if Britain's next attempt to enter the European Common Market is more successful than her recent one.

The second development arises from the first. We have in fact a new frontier. For the first time, since last October, we share a physical land frontier with an Asian country—Indonesia. This frontier lies in the middle of the island of New Guinea, a large island to the north of Australia. There is no need to remind you that the western half of that island will, on 1st May next, pass from the control of the United Nations to the control of Indonesia, subject only to the commitment of the Indonesian Government to eventually giving to the people of West New Guinea an opportunity to determine for themselves whether they shall become forever part of Indonesia or whether they wish to have some other future political alignment. This is a significant event for us in Australia, and not only because we have the responsibility for the eastern half of the island of New Guinea. Our Government is determined to live in friendship with Indonesia, as with the other nations of Asia, and hopes that the commitments undertaken by Indonesia to the United Nations, and her commitments to countries such as Australia, will be duly observed.

We are on the edge of Asia, geographically. Our new frontier lies with Asia. It has always done so, but it is only in recent years that we have become conscious of that fact. It means that we are more and more sensitive to developments of a political nature in Asia. We have to have regard to our own security, primarily by seeing that our country is developed and occupied and populated in the way that I have been talking about earlier in this address, but also by ensuring that we contribute with our allies and friends, such as Britain, Canada, and the United States, to the defensive needs of the area.

THANKS OF THE MEETING were expressed by Dr. Z. S. Phimister.

"THE CONTINUING WORLD CONFLICT"

An Address by

REV. DR. EMLYN DAVIES, D.D., B.Litt. (Oxon.)

Thursday, March 14, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: It is a great pleasure for me to present to you to-day, my friend Rev. Dr. Emlyn Davies. For almost 12 years he has been the minister at Yorkminster Baptist Church until he resigned as a result of the amalgamation with the Park Road Church. Now he is guest professor at Knox College. He also lectures at Upper Canada College and he is a member of the Board of Broadcast Governors for Canada.

He came to us from Cardiff, Wales, where he was professor of Church History and financial secretary at the South Wales Baptist College. Born and raised in Wales, he spoke Welsh for many years before he could speak English. After graduating from the University of Wales with Bachelor of Arts and Bachelor of Divinity degrees, he attended University College, Oxford, and earned the degree of Bachelor of Literature. He was the minister of High Street Baptist Church at Merthyr Tydvil in Wales from 1934 to 1940, when the depression caused most serious suffering to the Welsh people. Then he was minister of a church at North Finchley, near London, during the worst of the London Blitz. Since arriving in Canada he has been president of the Baptist Convention of Ontario and Quebec and he has received the degree of Doctor of Divinity from McMaster University. He has also taken a great interest in the World Council of Churches.

In the course of his work in England and Wales, it became necessary for him to know what the communist party in England was attempting to do in advocating the overthrow by force of established institutions. He made an intensive study of the writings of Karl Marx and others. Frequently he has lectured on the conflict of ideologies between our system and that of the communist countries. There is no more important issue in the world to-day and I know of no one better able to enlighten us on the subject, "The Continuing World Conflict."

DR. DAVIES: I am reminded of the distinguished Baptist preacher who changed his sphere of labour. On one of his return visits to his previous charge, he enquired about his successor from one of his older lady friends. The report was enthusiastic. As a preacher, a public-relations officer, a young people's worker, a pastor, a denominational leader, his successor was proving himself to be widely accepted and greatly favoured. The friend noticed that as she added praise upon praise, the face of the previous minister showed some signs of bewilderment, if not of dismay. Anxious not to hurt or cause the former minister any unnecessary embarrassment, the friend blurted out, "Oh, but Dr. Johnson, no one can hold me as you used to hold me!"

If it happens, Mr. President, that you are not held to-day as you would have been held, you will, I am sure, exercise your customary goodwill and be patient.

I have chosen to speak to you about Communism—not that I have any expert knowledge not vouchsafed to others, or any inside information which will add to the many and varied studies of Communism now available on this Continent. I speak as one who regards Communism as one of the two most serious contenders for the dominance of the world. The other is the Christian faith. It is, therefore, altogether fitting that I, a servant of the Church, whose adult life has been spent seeking to promote the Christian cause, should examine the Communist challenge. This task is undertaken not to score some debating points or to expose some obvious fallacies, but out of a deep concern for the true well being of our nation, and the larger family of nations both on this continent and throughout the world.

For Communism has to be seen and recognised as a world force. It is more than a social philosophy which has to be refuted. It is more than a political movement which has to be out-manoeuvred and eventually destroyed. Certainly, it is more than a false religion which has to be out-preached. It is a world force, contending for the allegiance of the world and seeking to vindicate itself where vindication matters most, namely, in the realm of contemporary historical human action and affairs.

On the occasion of the funeral of Karl Marx, on a cold day in March, 1884, in Highgate Cemetery, London, England, Friedrich Engels, Marx's closest friend and in his closing years his benefactor, made the following prediction in the presence of the dozen or so people who were present: "humanity had lost its greatest thinker whose achievements would be honoured throughout the ages to come."

Nearly eighty years have come and gone since that day, and what might have been dismissed as a wildly extravagant claim made in the intensity of grief has turned out to be literally true for millions of people. Almost one-third of the world's population regards Karl Marx as virtually the economic and social saviour of the world. No less an authority than Professor Harold Laski has declared that "the history of Socialism in the second half of the nineteenth century is so emphatically the history of Marx and his influence that apart from him the movement has little meaning of universal quality."

What, then, was Marx's contribution to our understanding of experience and our interpretation of human existence? Engels gives a clear and unequivocal answer. What Marx did was to discover the law of evolution in human society. If this was meant to imply that Marx was a social scientist, then the answer is open to grave questioning. The true scientist sets out to discover facts, verifiable facts, and on ascertained and established facts he propounds his theory. Marx propounded a theory and used only those facts which supported his theory. The rest he ignored.

In many ways the simplest division of Marx's whole system of thought is that given by the late Reverend Ingli James in his book "Communism and the Christian Faith". He offers a fourfold division. Marxism is (a) an economic doctrine; (b) a philosophy; (c) an interpretation of history; (d) a system of ethics.

Even if I were competent as an economist, which I am not, to discuss Marx's doctrine of surplus value, such a discussion would not really bring out the true nature of the abiding conflict which confronts the world at the present time. We are more likely to appreciate this if we remind ourselves of the late Archbishop of Canterbury's observation, namely, that "Marxism is a Christian heresy." Professor Nicolai Berdiaeff, formerly Professor of Philosophy of Moscow University, prior to his exile in 1922, calls attention to a similar truth in his discussion of Christianity and Communism in Russia. Communism is essentially a religion. It is not simply a new social and economic structure. The pretensions of Communism are religious through and through, and Communism seeks to provide an answer to all the questions of human life. It offers a metaphysic and a philosophy. Indeed, if we may put the matter very sharply, Communism is an attempt to set up the kingdom of heaven without the king.

Nevertheless, Marx's primary concern was not with philosophy. He once caustically remarked that philosophers only wished to explain what he wanted to change! Yet his basic philosophy was "Materialism", and Lenin, perhaps his most brilliant disciple, stated quite emphatically, "Marxism is Materialism." Marx explained the operation of those material forces which constitute Reality, and chief among them he cited "the method of producing material goods obtaining in a given society at a given time." To quote his own words:

> The mode of production in material life determines the general character of the social, political and spiritual processes of life. It is not the consciousness of men that determines their existence, but on the contrary their social existence determines their consciousness.

In other words, ideas are merely shadows cast by economic circumstances. They enjoy neither independent existence nor power of their own. Economic conditions bring them into being, and when these change, ideas, also, must change.

In spite of the many attempts to interpret Marx more fully, it is reasonably clear that according to this theory the economic factor is decisive in human life and history, and the operative cause differentiating one group from another is the economic environment in which their life is set. This is so because the dominant ideals of any society reflect the dominant material conditions, and in calling attention to this fact Marx rendered a signal service to our human understanding. Where he went astray in his thinking was to regard the economic factor as "finally decisive", and in his confusion in the use of the terms *conditioned* and *determined.* Men are conditioned by their social and economic setting; but their action is not thereby determined. Dr. H. G. Wood has made a pertinent comment on this issue, viz., that economically Israel and Judah were in a similar position to that of their neighbours, Moab and Edom; but their history was different by reason of the different spirit which possessed them and of the different religious beliefs which they cherished.

Further, the materialistic philosophy which Marx sought to expound had, according to his own particular interpretation, one strange inconsistency. Materialism is the philosophy of chance for it involves the denial of spirit, will and purpose. How can the Marxist justify his belief that history is moving towards its predestined end? In the light of materialism there can only be purposeless and unprogressive change; but Marx certainly argued that there was purpose and progress in history, but in his attempt to combine materialism with the Hegelian dialectic he only created for himself an insoluble problem. If matter is ultimate, history is a series of accidents; if there is purpose in history, then matter is not ultimate. This unsolved philosophical problem remains to this day the main serious objection to the materialistic philosophy whereby Marx sought to justify both his economic theory and his interpretation of history.

The main attack, however, falls within the realm of history, and however superficially we must deal with it, reference must be made to the Marxist view of history. It is cogently and eloquently presented in the Manifesto of 1848, which was produced by Karl Marx and Friedrich Engels.

It opens with the impressive assertion: "The history of all human society, past and present, has been the history of the class struggle." This is not said to foment class war. For the Marxist, the class war is on, and this is the true description of the actual historical situation which now exists throughout the world. Therefore, to charge the Marxists with fostering the class war is to betray a complete misunderstanding of his conception of what constitutes the nature of the historical process.

To quote Marx: "There is a tendency working itself out with an iron necessity towards an inevitable goal." Nothing can withstand the inevitable and predetermined end. The conflict may be long and bitter, but the result is a foregone conclusion. The day of capitalistic domination is swiftly and surely drawing to its close, and the dawn of communist bliss is soon to break with all its proletarian splendour.

There is no purpose in asking why this will be so. The question is meaningless and irrelevant, and Marx does not even stop to consider it. His sole desire is to describe life as it actually is, to begin with the historical process as it exists factually in the world that now is, with no reference to what ought to be and with no regard to the fate of those for whom this new era will mean death, humiliation and annihilation. Further, Marx does not attempt to pass any moral judgment on the situation. Certainly, it will be better for the proletariat to rule than for anyone else. This is not, however, the reason why they will rule. This is the dialectic of history, and the classless society is the predetermined end. This way alone lies redemption for the world.

Purely on the historical level this prophecy has not been fulfilled. Marx did not envisage the growth of trade unionism, first cradled in the evangelical revival of the eighteenth century under the leadership of John Wesley. This movement has secured privileges undreamed of in the eighteenth century, and the labour forces are now protected legally under both private and state enterprise. Thanks also to the growth of the legislative power of the state, workers and owners are now subject to restraint and discipline. Moreover, Marx completely understated and assuredly underestimated the unifying and preserving power which resides in patriotism. Love of one's native land and of one's own way of life can unite workers and management in a way in which nothing else can.

There is one further comment to be made. The Marxist declared that the classless society is within history; no "pie in the sky, by and by," for the realistic, scientific Marxist. His feet are planted on earth and no kind of otherworldliness shall be allowed to contaminate his mind or divert him from the inevitable process of history which is shaping the destiny of the world with its "iron necessity." Nevertheless, in setting up history as the final arbiter of human destiny and setting the end of history within history, the Marxist is making history both judge and jury in its own case.

From the above analysis certain conclusions can be drawn fairly clearly, and they involve both Christians and Marxists. Both these are believers in a non-believing world. Both are committed—the former to the validating of God's kingly rule, the latter to a validating of the historical dialectic. In a very real sense, though Marxists on the whole repudiate this, both Christianity and Marxism are faiths preached and proclaimed. By them men live, and for them men are gladly prepared to die. But the world in which these faiths are declared is an unbelieving world. To the Marxist, the Christian faith is an illusion, unreal and non-scientific; to the Christian, Marxism is a heresy, an attempt to substitute darkness for light with a passionate belief that it is light.

If time permitted, it would be interesting to spell out in detail the difference between the Christian doctrine of sin and the Marxist doctrine of social evil. Involved in this is the further issue of how to deal with opponents. The Marxist method is that of liquidation. Perhaps the most striking example of this was the liquidation of the Kulaks on the order of Stalin himself. It is imperative that no one should be under any illusions about this method. It is true that there are some who are persuaded that the social revolution may be achieved without violence; but there is no responsible Marxist leader who would totally abandon the method of violence as an effective way of dealing with opponents or of crushing opposition.

Two further comments must be made before this brief study can be brought to its close. Both Christianity and Marxism are committed to justice, but the word "justice" does not carry the same meaning for both. For the Marxist, justice is the triumph of one class. To achieve this everything is justified, and the fact that others suffer injustice is brushed aside as a false reading of the situation. They are not suffering injustice; they are only reaping their reward. This is the only justice of the world, namely, that the proletariat should enter into their inheritance. Anything and everything that furthers this end is justifiable, because the end so achieved is just. Marxism is the science of historical change and the art of co-operating with it. Nothing must be done to interfere with this, and everything that will promote this, however devious, however inconsistent, must be undertaken.

Lenin, for example, supported Mr. Henderson, the then British Minister, "as the rope supports the man who is being hanged." Communist tactics, brilliantly developed by Lenin, included in his own words, "manoeuvring, temporising and compromising with other parties."

For himself, he was prepared, should the occasion demand it, "to compromise with the devil and his grandmother." The end always justified the means. This is the essence of justice.

For the Christian, justice involves treating persons in such a fashion as may best further the will of God. Man is treated not as he is, but as one who may become, by God's grace, a new and better man. To treat a man justly is to treat him as God would have him treated, and this involves a recognition of his value as a person and not simply a recognition of his membership within a certain class.

The final distinction between Marxism and Christianity has to do with the belief in the ultimate hope. The one problem to which Marxism has no answer is that of death. Marx has left on record a moving and almost pathetic piece of evidence in this connection. After the death of his son, he wrote: "My child's death has affected me so greatly that I feel the loss as bitterly as on the first day." To that anguished cry Marxism has no answer. The dialectic of history is dumb and historical determinism irrelevant and futile. Economic determinism may account for the historical process; it cannot heal the wound in a father's heart. Opponents can be silenced, but here is a cry that cannot be stifled; here is a pain from which there is no relief.

The Christian gospel is not so frustrated or handicapped. It affirms its faith in the certainty of the life everlasting; it announces that death has been swallowed up in victory and that the terror of the grave has been wrenched from it. Lenin was embalmed. Jesus Christ was raised from the dead. Here is a distinction which on any showing is ultimate and final.

There is much more that should be said. Karl Marx is still forcing western man, indeed all men, to think radically about the nature of man and that of society. Moreover, Marxism offers a doctrine of man and a hope for social and economic reconstruction which makes a tremendous appeal to the under-privileged millions in both the East and the West. Let no one imagine that the conflict has been reduced either in area or in intensity by the discovery of the modern formula of co-existence. Co-existence may be a modus vivendi, but the day is not far distant when a choice has to be made between the way of life which is implicit in the Marxist doctrine and the way of life implicit in the Christian faith. The issue will be resolved, not by nuclear arms, not necessarily in the ideological realm itself, but by the measure of devotion and dedication men will bring to the way of life they seek to preserve and to hand down to generations yet unborn. A famous classical scholar, writing of the history of the early Christians, said that Roman civilization was overcome because of weakness from within, and that the Christian faith prevailed and ultimately triumphed in the Mediterranean world because the Christians out-thought, out-lived and out-died their opponents and their rivals. Mr. President, Sir, I cannot do more than lay this responsibility upon the conscience of all of us in Canada, privileged as we are far beyond our deserts.

Four things in a land must dwell
If it succeed and prosper well:
One is manhood, true and good,
One is noble womanhood;
One is child-life clear and bright,
One an altar kept alight.

Clarence S. Campbell, M.B.E., Q.C., March 21st, 1963

Right Rev. F. H. Wilkinson, D.D., LL.D., March 28th, 1963

It may well be that in trying to build up a new world without an altar, Marx has stabbed our consciences broad awake to a new awareness of the peril in which we stand and of the way of deliverance. As I see it, the writing is on the wall of our contemporary history. Its message is clear and direct. It is addressed to us all—rich and poor, privileged and unprivileged, newer Canadians and older Canadians. It says, "Attend to your altars." In the words of Lord Macaulay: "The matter, Gentlemen, is urgent, the time is short."

THANKS OF THE MEETING were expressed by Mr. Alexander Stark, Q.C.

"HOCKEY AS A BUSINESS AND AS A CAREER"

An Address by

CLARENCE CAMPBELL
President, National Hockey League

Thursday, March 21, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: On the eve of the play-offs to determine the winner of the Stanley Cup, emblem of World Professional Hockey Championship, it is a great pleasure for me to present to you as our special guest to-day, Mr. Clarence B. Campbell, M.B.E., Q.C., B.A., L.L.B., the President of the National Hockey League. You will be as surprised as I was to learn of his career. It is a story of repeated successes.

Born in Fleming, Saskatchewan, he graduated from the University of Alberta in 1924, and gained his Bachelor of Laws degree in 1926. In that year he was the Rhodes Scholar from Alberta. At Oxford University, he received his Bachelor of Arts degree in Jurisprudence in 1928 and was called to the Bar in Alberta in 1931. He practised law in Edmonton with the firm of Wood, Buchanan, Macdonald and Campbell until 1940. During that time he promoted baseball and hockey in Edmonton, played Lacrosse in England, refereed hockey at Olympic Games in 1928. Then refereed in the Western Hockey League, American Hockey League and in the National Hockey League.

In 1940, he joined the Militia as a private and was commissioned in the following year. He went overseas in 1942 with the 5th Canadian Anti-Tank Regiment of the Royal Canadian Artillery. Throughout the entire operations in North West Europe in 1944 and 1945, he commanded the 4th Canadian Armoured Division Headquarters and was mentioned in despatches. He joined the Canadian War Crimes Unit as a Lieutenant-Colonel in June 1945 and was associate prosecutor at the trial and conviction of Kurt Meyer. For his services, he was created a Member of the Order of the British Empire.

Since September 1946, he has been the President of the National Hockey League. In his active career, he apparently did not find time to get married until about 7½ years ago.

I'm sure there are not many dull moments in the business of professional hockey in which he is now engaged. His subject is: "Hockey, a Business and a Career."

MR. CAMPBELL: I am not by nature an entertainer. Some people think some of the things I do are pretty funny, but I am sure you will understand the meaning when I say I am not primarily an entertainer. I am very delighted to have the opportunity to divulge, if that is the correct word, or disseminate some information concerning the business with which I am associated, which is frequently misunderstood. It is partly by reason of the nature of the business itself, which is a very compact group, and because perhaps of the extraordinary influence which our particular branch of our national sport, the Canadian national sport, the extraordinary amount of influence which we exercise with respect to it; not necessarily from our own choice, but from the nature of things which I hope will appear more obvious to you as I proceed.

Now, generally, I should like to give the background of the National Hockey League itself in order that you will have a better appreciation, or my audience will have a better appreciation of how the National Hockey League functions. However, in view of the broadness of the subject, I have decided that was to be curtailed. Sufficient to say that the National Hockey League itself is a rather unique sort of organization. It has no parallel that I know of anywhere, and even as a lawyer, I would find it difficult to define what it really is other than the fact that it is a name, the National Hockey League. It is not even registered any place.

It is composed of six franchise holders, all independent corporations, all incorporated in different jurisdictions, which corporations have bound themselves together under the terms of a contract, which in point of fact is the constitution of the League. It only has one officer. I have the honour to fulfil the functions of the president, vice-president, and the secretary, and the treasurer. Some people have said what would happen if something happened to you. I have no doubt that the governors of the National Hockey League would be sufficiently resilient to be equal to such a situation.

As one of them pointed out to me when I came to the League, they said you have a rather difficult position to fulfil here, and of course you will be at loggerheads with one or more of us most of the time. Now, that is not going to be very important because it will be me today and Joe Blow tomorrow and Jim Smith the next day so that when we wind up you will probably be our unanimous enemy. But you will find as you go along, as long as you can keep the level of that animosity reasonably uniform amongst us, you will probably survive. But it is extremely important in giving you this that you don't cultivate or add anything that will destroy the partnership relationship as exists between the member clubs. It is the hard core of the success of the National Hockey League that it is in point of fact, while a competitive league in sport, it is a partnership in business and it is really a partnership of corporations.

So much for what it is. What is its business? We play hockey. But that is not quite sufficient. You have to go a little further than that. We are fundamentally involved in a fairly substantial segment of the entertainment business, and you must keep in mind constantly that while I think the people who direct organizations and participate are fundamentally sound sportsmen, they are also primarily interested in the entertainment business, and this will motivate a large portion of the decisions and the attitudes which they have to take from time to time.

Now, the National Hockey League by itself is only six clubs, but we have a wide variety of affiliations with other organizations, including three other professional hockey leagues: The American Hockey League which consists of nine professional clubs, the Western Hockey League which consists of eight professional clubs, and at the present time the Eastern Professional League which has four. It had six. That makes a total in all of twenty-seven professional clubs which constitute the hard core of our entertainment business.

These leagues all operate on what are commonly known as professional bases. Now, in addition to that we have a very close relationship and a very friendly relationship may I say with the American Amateur Hockey Association, which has an overriding jurisdiction throughout the entire country; also with the Amateur Hockey Association of the United States, which has corresponding jurisdiction there. They combine with part of the continent of Europe and have a further organization called the International Ice Hockey Federation, which operates or conducts the so-called world championships which have just concluded. We have arrangements, we have agreements with them dealing primarily with our respective jurisdictions, dealing with players, and we also provide some measure of financial assistance for them.

We, of course, are very closely related to the Canadian Amateur Hockey Association through the institution of what is called sponsorship. This is a method by which professional hockey lends support for the conduct of amateur teams.

How this came about is too long a story to tell here, but it does play a very important part in the conduct of hockey in Canada, and that will be illustrated by this fact: Of all the players playing in organized professional hockey today, over ninety-five per cent of them came from amateur teams sponsored by professional teams; over ninety-five per cent of the players who play in organized professional hockey today came from professional league sponsored amateur teams. In other words, they do sponsor not only in the sense of providing coaching and things of that kind, but also financial assistance.

You may be interested since we are talking about hockey as a business or part of the entertainment industry how big is it? What are its genuine dimensions? As businessmen I think you will be interested in the dollars factor probably more than any other. There are, as I said, twenty-seven professional hockey clubs operating in North America. Nine in Canada, eighteen in the United States, and these twenty-seven professional hockey clubs provide the basic revenue for the support of approximately $100,000,000.00 worth of buildings, and when I say that, this is constantly increasing. As you will learn from the fact that the new Madison Square Garden complex which is about to be built over the Penn Station in New York will cost approximately $85,000,000.00, you will have some idea of the extent to the financial interests of the parties involved and what the hockey revenues mean to these buildings. In addition, the revenue derived from the games in a season would be approximately $12,000,000.00, in addition to something in the vicinity of about $2,000,000.00 of taxes paid—entertainment taxes of various kinds.

Now, as to the dimensions of the individual operation, and this will probably influence your thinking somewhat in connection with where major league hockey can operate, the break-even point for the operation of a National Hockey League team at the present time is approximately $800,000.00 per season exclusive of entertainment tax. Our costs of operation are increasing and have increased for the past fifteen or sixteen years at approximately two per cent per year. From these figures I believe you will have a better idea of the dimensions of the business, and perhaps there is not very much more that one can say about it as a business except to remind you that it is part, a very important segment of the entertainment field not only in Canada but in the United States. The degree of success which has been achieved will perhaps be indicated by the fact that in the current season we will have public support to the degree that we will have ninety per cent in rated seating capacity occupied for every game in which we play. Ninety-two per cent of our rated seating capacity, and that will produce for us approximately 2,700,000 spectators exclusive of the players. I am sure I am not telling you any secret when I say that the two Canadian arenas have not had an unsold ticket in seventeen years.

The six franchise holders, or twenty-seven, if you want to look at it that way, provide this form of entertainment through the medium of players. As staff, twenty-seven professional teams require approximately 550 professional hockey players all the time. These turn over at a rate of approximately fifteen per cent to twenty per cent per year so that we have to have a new supply of hockey players of approximately eighty-five to a hundred and twenty every year. This used to be a relatively simple matter when the National Hockey League was the only important professional hockey league operated. It was quite simple to man four teams of twelve to fifteen players each. They were just picked up quite casually as the cream of the crop of any particular year came to the top, and these were engaged and nobody was seriously affected by it.

As the costs of operation of hockey increased tremendously, the young boy who wanted to run the team found he couldn't do it. The corner grocer who used to support the local team in the black sweaters—the players' parents provided all the other equipment—soon found he couldn't do it. Then larger industrial organizations began to sponsor teams they said on the employment of the players in their plants even this became somewhat beyond them, so of necessity it became necessary, because absolutely necessary for the professional teams and particularly National Hockey League to come to the rescue of these small teams, leaving them primarily in control of their operation, the day to day control of their operations, but to provide them with financial assistance. This has now grown to quite enormous amounts of money, of which I will speak later.

Also we have run into the competition of every other form of distraction and employment, or I should say employment and distraction. The emphasis which has been placed postwar on the concentration of education has of course substantially reduced the crop of available players, and so this in turn has increased the necessity for greater and greater and greater incentives in order to induce the players to take up hockey as a career.

Let us see how far these incentives have gone. Where are we as of today? Well, there are approximately one hundred and twenty jobs available at any time in the National Hockey League. There are approximately one hundred and eighty jobs available in the American Hockey League; another one hundred and sixty in the Western Hockey League, and let us say there are eighty, seventy-five or eighty in the Eastern Professional Hockey League.

In the National Hockey League for the current season the base salary for players, the average base salary of those players is $13,215.00. That is the base salary. In addition to that the League provides $220,000.00 of incentive money which goes to some of those players. Not all of them, but depending on their success and their skill. $220,000.00. That is another $2,000.00 per year. The League spends in addition to that on players' pensions alone $102,000.00 a year. $900.00 per man.

In addition to that the clubs themselves provide on the average additional personal bonuses of various amounts of an addition of a further $1,000.00 so that you have, if your arithmetic corresponds with mine, something in excess of an average of $16,000.00 per man per year for players who play regularly in the National Hockey League. In the American Hockey League the average salary would range from $5,000.00 to $10,000.00. In the Western Hockey League probably from four to eight, and in the Eastern Hockey League about three to six.

Now, I mentioned briefly in the course of my last few remarks about our pension plan. This is the most generous pension plan in the world without exception. Players contribute $900.00 a year, which is tax exempt, and the League makes a matching contribution of $900.00. That is for each year of service. That produces for the recipient a pension of $1,800.00 a year payable for life and guaranteed for ten years payable from commencement at age forty-five. I don't want to get too complicated about this, but let us take the case of a player who plays ten years in the National Hockey League. He will have contributed $9,000.00, which in terms of take home pay will have cost him not more than $6,000.00 because it is tax exempt. He will have a pension of $1,800.00 a year or $150.00 a month at age forty-five. Translated to age sixty-five, his normal time of retirement, that pension has increased to $400.00 per month. $400.00 a month, but now remember he has paid $6,000.00, but he has better than that. This pension is fully funded, and it carries with it full death benefits to the total value of the amount of the funds required to sustain his pension, so that by the time he reaches the age of forty-five he will have accumulated for himself a fully paid up death benefit of $32,500.00; equivalent to $32,500.00 fully paid up life insurance. By age sixty-five, if he defers that money, which he can do, and that is the last date he can defer it, he will have then a fully paid up death benefit of between $63,000.00 and $64,000.00. If you are not sufficiently impressed by that, now let me add this: Those are guaranteed pensions. As of last October 1st we declared a thirty per cent dividend on top of that.

These are the incentives that are open to a boy to come into the National Hockey League. True, it is a case that many are called and few are chosen. We have found we had to provide this degree of incentive in order to enable us to have a supply of talent that is necessary to carry on our business. We are no different than any other place of business. We must keep our clients and personnel up to the highest possible standard, and when the normal source of supply which would be applicable in some other sports broke down we had to substitute our own resources and enter actively into the full development of player talent at lower levels so as to ensure that we would be able to carry on our show.

This has brought us in conflict at various times with some other elements in the community, many of whom are not too well informed. Yesterday one of your local pundits quoted a legislator I believe as saying that professional agents go to the door of the youth of sixteen with $100.00 and get him to sign contracts. I don't know where that gentleman has been for the last thirteen years. On May 20, 1950, this was made impossible. No player can sign any obligation at any time, nor can any club acquire the benefits of any agreement that is made before he has attained his eighteenth birthday.

There is nothing unusual about a boy of eighteen years being employed or entering into an agreement for his employment. We have no apology to offer for this at all. There is another aspect of this. Since education is so important and since the period of training, the period of development overlaps to some degree with the educational period, it is altogether natural that parents of these young boys are primarily concerned with the education of these boys. This is where a large portion of our contributions to player development goes. National Hockey League, member clubs, spend over $500,000.00 a year in sponsoring fifty sponsored clubs throughout Canada, and the largest portion of that money is spent in providing the living expenses, the tuition and the books of the boys who go to these various schools. If anybody thinks we are serving with one hand and taking back with another, let us acknowledge that not all of those who attempt to be hockey players and to complete their education are completely successful.

I am sure that you as parents must have realized before now that there are other distractions besides hockey that will take young boys away from their books. They used to play in pool halls and now they play in hockey clubs, the National Hockey League.

However, let me claim for ourselves some fair measure of credit for this educational programme which we do conduct and which is demonstrative for anybody, any fair-minded person who wants to learn about it. The large majority of our sponsored players are being kept in school at our expense. The large majority of them. As proof of this fact, just take the case of those who have passed through our ranks as a result of our sponsorship.

Newsweek conducted a survey of American colleges last year, a little earlier than this last year and they discovered that there were between 300 and 400 Canadian students in those universities there on hockey scholarships. How did they get there? They certainly had to pass through the qualifying period that coincided with the training period which is part of our sponsorship.

Right today there are 123 players who were active playing members of the sponsored teams in the last five years who are presently in universities in either Canada or the United States, a large majority of whom would never have had the opportunity to ever go to university at all if it hadn't been for this. While we don't claim to be a mealy-mouthed institution at all, we do claim that there are some credits which we should be given with respect to this.

Now I should remind myself of that admonition of an old proverb, and I don't know where it comes from, he who is giveneth an inch and taketh a yard should be kicketh by the foot. As of now you are free, Mr. President, to apply the foot, and I will try to bring these somewhat rambling observations into focus.

We have been accused, and I am speaking of the National Hockey League or professional hockey leagues generally, of trying to dominate and control the game of hockey. This is not our wish at all. Any degree of control which has been accumulated has been the product of the fact that the former source of supply of material for us, which came to us gratuitously, has come about by the recognition that we, by reason of the fact that we have achieved or have earned or have been afforded such tremendous public support, we have a responsibility to put some money back into production of our own raw material. This is not an unfair and it is not an unusual approach to the matter, but I sure that no one will quarrel very seriously if we should express the opinion that this money can be more effectively and efficiently expended under our direction than under somebody else's. That is all that has happened.

We certainly do not voluntarily assume the responsibility of this $500,000.00 per year in sponsorship, plus the support of the organizations, amateur organizations all over the country on an informal basis, plus an annual contribution to the Canadian Amateur Hockey Association, and its counterpart in the United States, the A.H.L. in the United States, $42,000.00 a year for their administrative purposes. We have paid to these two organizations since the end of the War three-quarters of a million dollars to assist in the development of their activities, in the development of hockey. Obviously of course for our purposes to develop hockey players.

If we were located in the United States, operating in the United States or was in an indigenous game in the United States, we would be so fortunate. Look at the position of the National Football League where they have graduating from college literally thousands of fully-developed players produced at the expense of the state or the alumni ready to walk in. This would be wonderful for us. The same as basketball. Unhappily we are not like that. We are like baseball. We have to develop and contribute to the development of our own talent.

Well, the N.H.L. today is in the strongest position it has ever enjoyed both as a business and as a spectator. As a money-making enterprise and as an attractive medium of public entertainment. How has this come about? Well, there are a number of basic principles, the first of which is all of the clubs in our league own and control the buildings in which they operate. In other words, they are anchored to the location where they are with the dire necessity of running their business successfully or losing the building. The building can't pick up and walk away. You can't shift franchises around from one place to another. That building has to stay where it is because you can't move it, and there are no corresponding buildings elsewhere.

Then we have what is in sport a very unique arrangement by which we prevent any club getting a corner or a monopoly on the talent. Once per year every club has to say what its playing roster—what they plan their playing roster to be for the forthcoming year, and every other player in which they have a proprietary interest at all is subject to claim by their partners at a reasonable figure. A medium figure actually for the value of any player worthy of playing in the National Hockey League.

Then perhaps by far the greatest thing of all contributing to our success is that hockey is the greatest natural show game in the world. It is the greatest for about four or five reasons and I do think perhaps you won't mind if I mention them. It is, for instance, a game which humans play, participating without mechanical assistance. By reason of that speed and the fact that it is a bodily contact sport produces a degree of violence of bodily contact which has excitability plus an element of danger. People like to participate or to watch things that have an element of danger.

Skates are potentially dangerous and the sticks are potentially dangerous. Perhaps the most important thing of all is that there is a wall around the participants. You can't run down and touch them in a hockey game. Then it has another quality that arises from the fact that there is a wall around the participants, and that is the capacity to transfer some of the spirit of the competitors to the spectators.

That does not express it very well. One of my predecessors in my office expressed it very well when an American fan once asked him, "why do you people have that silly arrangement with two intermissions?" Every other sensible game only has one. He said, "we have two to enable the customers to rest up."

There is a lot more to it, to that statement than appears on the surface. Hockey fans are participants. They are not spectators. They are fundamentally participants. You go to a hockey game and watch the reaction of the crowd. Many of them do need a rest when they go home.

Altogether we feel this is a business which is conducted on a pretty high plane. We put a dollar on muscular skill and we demand from those to whom it is paid that they will react cleanly and decently in their obligation to produce for you, the customer, sixty minutes of sustained speed in action.

THANKS OF THE MEETING were expressed by Dr. Clarence Crummey.

"THE CHURCH AMID WORLD CULTURES"

An Address by

RIGHT REV.
FREDERICK HUGH WILKINSON, D.D., LL.D.
Bishop of Toronto

Thursday, March 28, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: To-day one of our own distinguished members is to address us, and I am happy to present Right Rev. Frederick Hugh Wilkinson. D.D., LL.D., the Bishop of Toronto. Born at Dartmouth, Nova Scotia, he obtained his Bachelor of Arts degree in Orientals at Wycliffe College, Toronto, in 1922 and his Master of Arts in 1924. For a time he was Professor of Old Testament History at Emmanuel College, Saskatoon. He also served as Rector at Anglican Churches in Calgary, Hamilton, Vancouver, Montreal and then at St. Paul's Church on Bloor Street in Toronto.

He was appointed Co-adjutor Bishop of Toronto on January 6th, 1953, and then Bishop in 1955.

During the First Great War, he served with the 10th Canadian Infantry Brigade Signals in the 4th Canadian Division on active service from 1916 to 1919. He was wounded at Bourlon Wood in 1918 and for exceptional courage in various battles was awarded the Military Medal and two bars to that medal.

He is still an Honorary Major and Honorary Chaplain to the Queen's Own Rifles of Canada.

To all with whom he has come in contact he has been a tower of strength and at the same time a most friendly person. As one of the great leaders in the religious life of our nation, he is constantly studying those world-wide issues that create conflicts between the cultures of the East and West. His subject for to-day is: "The Church Amid World Cultures."

BISHOP WILKINSON: It was with some diffidence that I accepted the very kind invitation of your President to fill the gap and speak to you in general terms of the forthcoming Anglican Congress, under the title, "The Church Amid World Cultures." In speaking to you on this subject, which might have a limited appeal to a diversified audience, I feel something of the timidity of the cleric who was once asked by an inquisitive Irishman if he were a clergyman, to which he replied, "Yes, but not in any offensive way." However, on the other hand, I have no intention of suffering censure as that directed by a witty Irishman against a certain Archbishop because he "breakfasted on negotiation; lunched on compromise; and dined on surrender." However, perhaps on this occasion I hope that you will not be regarded as compromising yourselves at lunch.

The holding of world assemblies of churches is now a regular occurrence, and as such is regarded as of great public interest. I have only to remind you of the Second World Vatican Council which His Holiness the Pope summoned in October of last year, the members of which will be recalled this year for further sessions. The final decrees of this Council may have far-reaching and heartening consequences not only for all Christendom, but for humanity at large. In 1962 there was held the Third Assembly of the World Council of Churches in New Delhi. No one should underestimate this visible expression of the Ecumenical Movement, which despite the great problems which confront the Churches in their search for unity and greater co-operation, is expressive of a friendship between Church leaders and denominational bodies which never existed prior to the Second World War. That there is a new friendship between the churches of Europe and of Great Britain and of this continent, and now increasingly between the Roman Catholic Churches, the Orthodox Churches, and the Reformed Churches, and the Churches with reformed traditions, is a matter of historical importance. In the fifties, the first World Anglican Congress was held in Evanston, the World Assembly of the Lutheran Churches, with a membership of over sixty million, was held in Toronto. The World Presbyterian Alliance General Council Meeting will be held in Frankfurt, Germany, in August 1964, and the Lutheran World Federation in July and August, 1963, in Helsinki, Finland.

This year the Faith and Order Commission of the World Council of Churches will meet in Montreal in the month of July, and in August the World Congress of the Anglican Church will be convened in this city. But this modern experience of theological, spiritual and personal encounter between Churches of Christendom is not by any means confined to the Churches of Christendom. In a recent article entitled "Dialogue Opening Route to New Spiritual Frontier," Rabbi Gunther Plaut refers to one of the foremost spiritual personalities of modern times, namely, the eminent Jewish philosopher Martin Buber, now eighty-five years of age, who resides in Jerusalem. To him all communities of the Christian Church are indebted, as Rabbi Plaut said, "He is the one who has taught us to recognize the Thou and find the other One. He has taught us the meaning of dialogue. It is a wondrous thing that he has lived to see the first flowering of ideas of which he spoke so quietly many years ago."

Within the world-wide Anglican Communion, there is also a pressing need for consultation and a greater understanding within a Christian Communion which is sometimes regarded as standing midway between the three major groups of Christendom—the Roman, the Orthodox, and the Protestant Churches. Without such meetings for fellowship and common study, we could hardly meet our responsibilities or live up to our opportunities.

This year, for the first time in the history of the Anglican Church and of this city and country, representatives from three hundred and forty dioceses of eighteen Provinces of the Anglican Communion, will meet in Toronto under the Chairmanship of the Primate of our Church, and the Archbishop of Canterbury. Many of the Provincial Churches from which representatives will come, are within the British

Commonwealth. One of the not unimportant by-products of this Congress will be the discovery of this city and country by many who have never before been within the boundaries of Canada.

I was asked for my autograph by a young scholar in one of the most ancient cities in England, and when I asked him where Toronto was, his reply astounded me. He said it was in Japan; the next young man identified it as being in the U.S.A., and the third located it in Australia. It is imperative that the citizens of the Old World meet those of the New World, and that Canadians become increasingly conscious of the emergence of the civilization and culture of the nations of Africa. Some of those who live amidst the prestige and culture of ancient historical surroundings, find it somewhat difficult to appreciate the brief history of a new country such as Canada. An English Cathedral dignitary asked a friend of mine, "How old is your Cathedral?" "Well," he replied, "the ground was set aside in 1797. There have been five buildings on this site and our present building is about one hundred years old." "Oh," replied his questioner with considerable superiority, "as recent as that." With that he turned and walked away.

It is not always remembered that Churchmen are also citizens of their country and of their community. The first Bishop of Toronto, John Strachan, who had been the rector of the first religious building established in this community, namely, St. James', played no unimportant part in the saving of muddy York at the time of the War of 1812. He converted his little church into a hospital, founded the present University of Toronto, and when his more rigorous views did not find acceptance, he founded another University, namely that of Trinity College. This is no mean achievement for a young Scottish immigrant who came to Upper Canada to teach school in the proposed Academy of Governor Simcoe. When the plans failed, his usual optimism deserted him, and to put it in his own words he said, "If I had had twenty pounds, I would have taken the first boat back to Scotland." "As a matter of fact," he said, "I did not have twenty shillings." Such is the compulsion of destiny.

The general Theme of the Anglican Congress is "The Church's Mission to the World," which will be considered under the sub-title of "The Church on the Frontiers" and which will be discussed under the following headings:—1. "The Church on the Religious Frontier," 2. "The Church on the Political Frontier," 3. "The Church on the Cultural Frontier," 4. "The Challenge of the Frontiers—Training for Action," 5. "The Challenge of the Frontiers—Organizing for Action," and 6. "The Vocation of the Anglican Communion."

It may be news to people in the West to learn of the resurgence of the major non-Christian religions. Fifty years ago or thereabouts, when the study of comparative religions first appeared as a subject in Theological courses, it seemed as if Christianity could lay claim to be the one religion with a world programme and a world purpose. The Christian religion has made a considerable contribution to the development of Eastern civilization and its influence is not to be measured by the number of churches or converts.

Despite, however, the expansion of Christianity during the nineteenth and twentieth centuries, the great majority of Easterners are adherents of their ancient religions which are now experiencing a resurgence of vitality and zeal. For instance, in the nation of Burma the vast majority of the people, namely, ninety per cent, remain resolutely Buddhist.

Recently, by an Act of Government, Buddhism was established as the state religion of Burma. Whereas half a century ago this action might have been deplored by missionary leaders, it brought forth the following statement from the present Bishop of Rangoon: "I do not believe that there is real cause for anxiety in any way. The Prime Minister and Government could not have done more to be fair to minorities. Behind it all lies the determination of the devout leaders of the country that Burma should not be a secular, materialistic state; and that is surely laudable." Christian leaders in the East are impressed by the revival of religious life, thought and purpose reflected in the vitality of ancient religions in many parts of Asia and Africa. They realize that the revival of the non-Christian religions has been provoked partly by materialistic philosophies of the West and the secularization of our Western way of life. These Old World religions which were supposed by many to be on the way out, are now, according to a competent observer, on the way in. Their adherents constitute no small percentage of the world's population of which there are 370 million resurgent Hindus, 400 million resurgent Buddhists, and perhaps 450 million resurgent or resilient Moslems, to say nothing of the adherents of other faiths—Jews, Parsis, Sikhs, Jains, Taoists, and Shintoists. This resurgence of ancient religions cannot, of course, be dis-associated from the trends of modern history, the rise of a new political vitality, the developments of social changes and the affirmations of Asian Nationalism.

From what competent observers state, the revival of these non-Christian faiths is due to the reaction of the people of the East to the more undesirable aspects of our so-called Western civilization: the ruthless competition of our modern economic life, the degrading influence of Western films and novels, and the loss of mysticism and the diminishing sense of reverence for the finer values of life.

Few deny the great contribution which modern science has made to our way of life, or fail to recognize the authority of the scientific method and the dimensions of the revolution which science has created in the world. The historian, Herbert Butterfield declares that "the scientific revolution outshines everything since the rise of Christianity and reduces the Renaissance and the Reformation to the rank of mere episodes, mere internal displacements within the system of mediaeval Christianity." Living amidst the two cultures of science and the humanities, there are those who can relate scientific and mathematical studies to religion, as does Sir Alfred Noyes in this little poem:—

> What is all science then,
> But pure religion, seeking everywhere
> The true commandments, and through many forms
> The eternal Power, that binds all worlds in one?
> It is man's age-long struggle to draw near
> His Maker, learn His thoughts, discern His law—
> A boundless task, in whose infinitude,
> As in the unfolding light of law and love,
> Abides our life, and our eternal joy.

Those who try to use only the scientific method to analyse the imponderables of life find themselves succumbing to one or other current form of the secularist philosophies, whether it be that of scientific humanism which disclaims any belief in a God whose existence cannot be proved by the scientific method, scientific naturalism which finds no place whatever for the spiritual and moral values of human existence and regards man as being entirely subject to the reign of natural causes, or scientific materialism which is not limited by mere agnosticism and skepticism but advances further to proclaim the ultimate reality of matter and to champion an aggressive atheism. Provost D. R. G. Owen, who has brilliantly analysed these trends describes the first as the religion of T. S. Eliot's "hollow man, who believes in nothing, not even himself; the second as the expression of the faceless man, the blind pulse in the race of the blood stream; and the third where the human person is replaced by the mass man."

To again quote Dr. Owen, "It may be that in the future the great intellectual struggle will be waged between the Christian faith and the scientific world view. The opponents, of course, will not be science and technology in themselves, but the various philosophies nurtured by the modern climate of opinion and reinforced by the misuse of the fruits of technology."

It is necessary for the Church to recognize all that is good in the technological society and assimilate all that is valid in the scientific world view. Dr. Owen concludes that it is unlikely that a divided Christendom can speak effectively to the modern mind. "As Christians, scholarship knows no denominational barriers." It is imperative that the Christian Church speak with one voice to a world that seems intellectually far removed and deeply alienated from the Christian faith.

Other forms of cultural challenges confronting the Church are concerned with race relationships. We can rejoice that while humanity lives under the dark sky of the threat of nuclear war, the nations of the world are still able to meet one another in the council chambers of the United Nations. Similarly, within the Church the ability of people of all races and nations to meet in the unity of their faith to discuss problems of race relations, even though these problems may require decades for their solution, is a hopeful sign. The international character of the Christian Church may often be overlooked in debating those problems regarded as purely secular, but this capacity of men of all races to meet in peace and mutual brotherhood, inspired by a loyalty which supercedes that of dedication to nationalism, racialism or the classless society, can prove ultimately the reality of the divine beatitude, "The meek shall inherit the earth."

The subject of International Relationships will be discussed by the head of the Institute of Racial Relationships, London, England. The question of Racism will be in the hands of an African scholar, the Very Rev. T. O. Olufosoye, the Provost of Ondo Benin, Nigeria. The representation from the forty-six African Dioceses will be an impressive one. Technical assistance to underprivileged nations and refugees is a task which the Church endeavours to share more generously with the agencies of the United Nations.

The changing concept of man, modern man's image of himself and his world, and man in the industrial society, these are further subjects for discussion by theme speakers and groups.

One of the unique personalities at the Congress will be an eminent nuclear physicist, the Rev. Dr. W. G. Pollard, who is Head of the Oak Ridge Institute of Nuclear Studies in Tennessee, and at the same time is an ordained priest of the Episcopal Church. He will be responsible for the subjects of Organization Man, Urbanization and Automation. In a paper on the "Christian Idea of Education", Dr. Pollard claims that Western civilization both in its education and its character, "has become drastically one-sided," the reason for which is stated in these, his own words:

> The great challenge of our age is far more radical and revolutionary than the majority of our people have any conception that it could be. For this challenge is nothing less than the rediscovery by Western civilization of its lost Judeo-Christian heritage and a reacquisition at a common public level of the lost capacity to respond freely and naturally to the values and deep understandings of this heritage. Thus that which we of the twentieth century face today is comparable in magnitude to the challenge which faced the West in

> the tenth century at the beginning of the Renaissance when it first began to recover its lost capacity to respond to the wealth of its Graeco-Roman heritage.

Among those who will lead discussions on racial problems are some who stand in the very front line of the Church on the Frontier, whether it be the Archbishop of Capetown, who has stood resolutely against the creation of apartheid in South Africa, the Bishop of Natal, or the Bishop of Arkansas with his knowledge of the problems of Little Rock as well as other Christian citizens who are deeply involved in the political, economic and social issues of the world.

This conference for many of us will be like the opening of doors upon the other continents of the world. It is not an insignificant fact that through the Peace Corps and the diplomatic corps, President Kennedy stated that there were nearly a million Americans who were involved in the life of other countries in the world. We can be grateful for the Canadian Overseas Volunteers, the young people of which have been adventuring in service in many practical capacities to the people of underprivileged countries. It was an inspiring thing to hear recently a distinguished Christian African Chief who represents his country of Nigeria at the United Nations, tell a large group of interested students of Trinity University, who had been responsible for arranging a Conference on Africa, "you have fallen in love with Africa." They had acquired not only a vision but a sense of vitality in their contact with their brethren of a distant continent. What once used to be called the White Man's Burden is now offered for all men to share.

The tragic consequences of human pride and love of power, both in nations and individuals, have left mankind with nothing but deplorable legacies of human suffering, and race and class hatreds. How differently the course of history might have been written if truth, justice, freedom and brotherhood had reigned wherever their opposites had worked their blighting tyranny on mankind. These are the great virtues with which the Christian Religion is concerned, as are those humanitarian agencies which seek a freer and fuller life for all men. The world of mankind cannot survive without faith, without hope and without charity, and with these we need a great measure of humility. There is one thing certain that we have to treat the world affirmatively and the challenges of our existence creatively and with a measure of vision that lifts us above blindness and despair. As the members of the various world religions approach one another with a new love for truth and in the spirit of charity and humility, they may come to realize the truth of these prophetic words of the eminent historian, Professor Toynbee: "If we believe that God is love; we shall also believe that the whole human race will eventually turn to whichever vision of God is the fullest vision and gives us the greatest means of grace."

There will be conferences before and after the Congress on Theological Education, Missionary Strategy and Cooperation, and The Church and the Christian Ministry.

The pathway to the unity of the Christian Churches is not an easy one to chart or to follow, but the grounds for encouragement are considerable. There is a growing desire for Christian unity among all thoughtful Christians. The pressing need for unity among Christian Churches is fully felt and desired in Asia and Africa. The formation of the Church of South India is an achievement in Church unity which will have an ever increasing influence upon other schemes for reunion. It is to be hoped that the plans for reunion among the Churches of North India and Pakistan and Ceylon, before long will be approved and bring into being a consolidated Christian Church in these lands.

Conversations concerning unity are taking place in Canada, Great Britain, and the United States of America. The actual fellowship and witness of the World Council of Churches forges quietly ahead. The divisions Theological, Political and Historical of the past four hundred years cannot be resolved in a few decades, but to this need, the crying need of our time, the Unity of Christendom, the Anglican Church is committed, and for it, is working perseveringly.

Under the title "Not by Bread Alone" the distinguished economist Lady Barbara Ward has discussed not only the kind of interdependent world society we should desire to bring into being, but the motivation by which such a desirable standard of living can be achieved for all mankind.

This concluding statement of hers emphasizes the vision and the motivation which the Christian Church can generate amid the cultures of the world:—

> If we want to spread the revolution of liberty round the world to complete and reconcile the other great revolutions of our day, we have to re-examine its moral content and ask ourselves whether we are not leaving liberty as a wasted talent and allowing other forces, not friendly to liberty, to monopolize the great vision of men working in brotherhood to create a world in which all can live. But God is not mocked. We reap what we sow and if freedom for us is no more than the right to pursue our own self-interest—personal or national—then we can make no claim to the greatest vision of our society: "the glorious liberty of the Sons of God." Without vision we, like other peoples, will perish. But, if it is restored, it can be as it always has been the profoundest inspiration of our society, and can give our way of life its continuing strength.

THANKS OF THE MEETING were expressed by Mr. Donald Jupp, O.B.E.

"FACTORS AFFECTING DEVELOPMENT OF CANADA'S NORTH"

An Address by

GRAHAM W. ROWLEY, M.A.

Thursday, April 4, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

MR. KENT: It is a great pleasure for me to introduce to you Lieut. Col Graham W. Rowley, M.A., of the Department of Northern Affairs and National Resources. It would not be possible to find anyone who could speak with greater knowledge or authority about that great northern area of our country.

Born in England, and being interested in travel and adventure, he studied the Natural Sciences at Clare College, Cambridge and then read Archaeology and Anthropology. He came to Canada early in 1936 as a member of the British Canadian Arctic Expedition to excavate Eskimo sites and to travel and explore in Foxe Basin, north of Hudson Bay and mostly within the Arctic Circle. When the last war broke out, he came back to civilization, joined the Canadian Army and went overseas with the First Canadian Division in January, 1940. At the end of the War, he took part in Exercise Muskox in the Arctic as commander of the advance party. When he retired with the rank of Lieutenant-Colonel, he joined the Defence Research Board and was responsible for the Arctic research carried out by that Board. Since 1953, he has been Secretary of the Advisory Committee on Northern Development. Now he is responsible, not only for the research carried out by the Government in the north, but also for co-ordinating Government policy for Northern Canada.

Just a few weeks ago Col. Rowley was awarded, by the Royal Canadian Geographical Society, the 1963 Massey Medal for his northern explorations.

All of us are interested in what the north is really like but also in the prospects for its development. Of course, with the imminence of a Federal Election, Col. Rowley has been invited to speak to us as a Canadian and as a permanent consultant of governments, regardless of politics.

His subject is: "Factors Affecting Development of Canada's North."

MR. ROWLEY: When your President asked me to speak to you, he suggested I talk on the future economic development of the north. But civil servants are cautious people and avoid prophecy, especially at a time like this. So I replied saying I would prefer to talk on the factors that affect development, leaving it up to you to predict what the future may bring.

Unlike most talks on the north I shall not begin it by defining what I mean by the north. In general, the factors that affect northern development, affect it more the farther north one goes. There is really no clear-cut boundary, and it might be misleading to suggest one in this particular context.

The first requirement for development is to have something to develop. What resources are there in the Canadian north that are needed either there or somewhere else in the world?

Turning first to renewable resources, the basic fact of life is that the north is a cold place, and this means that things grow slowly. A section of a branch of birch or willow from the north only a couple of inches in diameter will show one or two hundred annual rings. In southern Canada the corresponding bushes reach this size in a year or two. Reindeer lichen grows less than half an inch a year and takes many years to recover after a reindeer or caribou has browsed on it. Great Slave Lake, which is comparatively far south has a productivity of about 1 lb. of fish per acre per year, compared with 125 lbs. per year for some lakes in the

United States, and probably a few ounces for lakes farther north. These figures show that the renewable resources of the north are not likely to be able to support any very great development. They have in fact been hard-pressed to support the few people already living there. It is this that has always imposed a very low ceiling on the size of the native population. There were never more than a few thousand Eskimos and Indians living in the million and a half square miles of Canada north of the 60th parallel and this is 40% of the area of Canada. Starvation was the control that kept the population so small. History has shown that, whenever a market for northern renewable resources has developed outside the north, these resources have been unable to sustain prolonged exploitation. The decline in the number of beaver in the northern forests early last century when civilization wanted beaver hats and the fur trade supplied them, illustrates what happens when a strong external market develops. In the same way, the demand for carriage robes nearly exterminated the musk-ox on the mainland.

The renewable resources of the north do however offer some possibilities for the future. Better conservation measures and better techniques can improve the yield to some extent. There could be a considerable expansion in reindeer herding. Handicrafts do not make heavy demands on northern materials. Fur farming might be introduced, as it has been with apparent success in northern Russia. In the Yukon Territory and along the Mackenzie River there is some good timber, though in limited quantities. Water power may be developed as methods for transmitting power over long distances are improved. As the population in the south increases, more people will seek recreation, peace, and quiet in the north, where there is some of the most impressive scenery in the world.

I should now like to turn to the non-renewable resources —to the mineral potential of the north which has attracted so much attention in the past few years. The major geological feature of the north is the Canadian Shield which extends over Ungava, Baffin Island, and the eastern half of the part of the mainland to the west of Hudson Bay. It is in the southern part of the Canadian Shield that most of the great mining areas of Canada have been found—Sudbury—Noranda—Cobalt—Val D'Or—Blind River—to mention only a few. It seems reasonable to expect that the rest of the Shield will prove as rich. We do not know for sure because there has been little detailed prospecting, but there have been many encouraging signs. These include the development of Schefferville in northern Quebec, and Uranium City, Flin Flon, Lynn Lake and Thompson in northern Saskatchewan and Manitoba. Other signs are the high-grade iron ore discovered recently in northern Baffin Island and the strong current interest in the Contwoyto Lake area between Yellowknife and the Arctic Coast. Turning now to the west, the mountains of the Cordillera extend into the Yukon and may prove to be as rich as the Shield. They were the scene of the Klondike Gold Rush, United Keno is the largest silver producer in Canada. Cassiar is an important asbestos mine, and a tungsten mine is coming into operation this year. Only last summer very large iron deposits were discovered in the northern part of the Yukon Territory. Between the Shield and the Cordillera and to the north in the Arctic Archipelago lie two belts of sedimentary rocks. These may contain, as at Pine Point, important ore bodies, but it is their oil and gas potential that has excited the widest interest. The age and folding of the rocks are favourable and their thickness in some areas is believed to be as much as 40 to 50 thousand feet. This provides good grounds for hope that the north will be found to contain major oil reserves. This is still only a hope, but it has been strengthened recently by the discovery of oil sands on Melville Island and bituminous residues in several other locations. The wells to be drilled in Cornwallis Island this summer will therefore be followed with the greatest interest. The hope may become a reality within the next few years.

I have covered the resources of the north in some detail, because without resources no development would be possible. The next factor to consider is accessibility, or rather inaccessibility. It is not enough to have resources; they must be taken to where they are needed. Distances are long in the north and transportation is costly on this account alone. But this is compounded by other difficulties. The cheapest form of transportation is by water and this is seasonal. Only a few, favoured places in the north have open water for more than three months each year, and over most of the area the season is much shorter. A heavy penalty has to be paid in high inventories and low utilization of equipment. Compared with the rest of the country, there is an almost complete lack of transportation facilities such as roads, railways, docks, and detailed hydrographic information, and there are only a few all-weather airfields.

Another factor, and one that is always associated with the north, is coldness. We can point to a few exceptional figures, such as a record of 103°F. one summer at Fort Smith, but this does not alter the fact that the north is cold, and often very cold. The long, dark, cold winters in the north do not seem to have the same appeal to Canadians as have Florida and the West Indies. The northern summers are pleasantly warm, but they are short, and the mosquitoes can be unbearable. Most people are gregarious and do not like isolation. To attract people to go to the north and to stay in the north, wage rates must therefore be higher than in the south, and more amenities must be provided for them.

The cold incurs other penalties as well. The cost of heating and clothing is obviously much higher. Machinery breaks down and wears out more quickly. Then there is permafrost. In the north the ground is frozen, sometimes to a depth of a thousand or more feet, and only the top few inches thaw each summer. Frozen ground is difficult enough to deal with, but ground that thaws when it is disturbed is worse. Unless very careful precautions are taken, what seem to be solid foundations can turn to dirty water when a heated building is erected on them. When the insulating layer of vegetation is removed to prepare an airfield or road the ground below may thaw to mud unless several feet of gravel are laid above it. Water supply and sewage disposal are particularly difficult. Permafrost is not an insuperable problem, but it is an expensive one.

The factors I have outlined show that it will cost more to develop northern resources and to send them to market than in the case of similar but more accessible resources in the south. The cost to the producer can be reduced to some extent by fiscal policies, by regulations designed to encourage the most economical methods of extraction, and by subsidies, but the determining factor governing the rate of development will be the price that the world is willing to pay for what the north produces. There can be little doubt that world demand will increase rapidly as the population of the world increases and as standards of living rise. This increased demand will tend to bring higher prices, to compensate for the higher costs associated with northern operations. In this way the economic frontier should be pushed northwards. We can see where this frontier now lies if we look at some of the major developments that have taken place in Canada in the post-war years. United Keno, Cassiar, Yellowknife, Uranium City, Lynn Lake, Thompson, and Schefferville all lie on a reasonably well-marked line not far from the 60th parallel of latitude, bending north in the more accessible areas and south where transportation is difficult.

For a long time there will be an economic frontier in the north and, like most frontiers, it will be very sensitive to changes in the world market. This sensitivity to world demand is no new thing in the north. The whaling industry, which once sent hundreds of ships to the north each year, but which was already weakened by over-exploitation of whales and the competition from mineral oil, received a mortal blow when a substitute was discovered for baleen, the flexible material from the whale that exerted such a restraining influence on the Victorian figure. Again at the end of the 19th Century a sudden sharp fall in the price that bicycle manufacturers in England were willing to pay for walrus leather, made walrus hunting by whalers unprofitable, and may have saved the walrus from extermination. Changes in fashion in the past thirty years have depressed the white fox market, and greatly reduced the income of the Eskimos. There is no doubt that world prices, which we can do little to control, will always be a most important factor governing the rate of northern development.

I should also mention defence activities. The Mid-Canada Line, the Distant Early Warning Line, the war-time staging routes for aircraft, the refuelling bases, the Alaska Highway, and similar undertakings have been developments on a scale unprecedented in the north. They have brought airfields, communications, and transportation facilities of a much higher standard and much earlier than would otherwise have been possible, and it was these defence activities that have, more than anything else, made Canada conscious of the immense expanse of the north and its potential value. Often defence facilities have been of great assistance to exploration and commercial development. Sometimes they have brought new sources of income to the north, though almost all the money has been spent in the south or has quickly found its way back there. This is in sharp contrast to Alaska where defence has for years been the greatest source of income. It is also important to remember that airfields or communications built for say, D.E.W. Line purposes are not necessarily in the best location to assist devlopment, though they are certainly very much better than nothing.

Most of the factors I have mentioned are beyond our control. We can do little about the cold or world prices, and we cannot shorten the long distances in the north. The last factor I would like to mention is one that we can control. This is northern research.

Before, however, considering the importance of research, I would like to digress to discuss briefly the much greater development that has taken place in the Russian north.

A map on a polar projection shows northern Canada and northern Russia facing one another across the Arctic Ocean —some years ago I would have said backing on to one another. Both are about the same distance from the North Pole, and it is natural to assume that they are very similar. It is tempting to go on from this to draw comparisons between the two norths—comparisons which indicate that the Russians, like good and trusty servants, have put their talents to work while we, recognizing the north as a hard master, have buried ours in the permafrost. Instead of drawing these easy comparisons between the Canadian and Russian north we should perhaps consider whether we are really comparing like with like, or with something very different.

When we compare size we find that, though the proportion of Russian north of 60° is much the same as the proportion of Canada, the actual area of Russia is nearly three times as great.. At the same time, the climate of the Russian north is very much more favourable, for the tree-line lies an average of about 500 miles farther north. The cold winters are what people remember about Siberia, but it is the warm summers that matter, because summer is the time of growth. Much of the Russian north is comparable therefore with the northern parts of the provinces rather than with the Northwest and Yukon Territories.

The Russian north has several other advantages. The ice age had much more effect in the Canadian North, scraping the soil from the hard granite of the Pre-Cambrian Shield, and carrying it south, leaving barren rock, sand, and gravel. Far less of the Russian north was covered by ice and the great Siberian rivers have enriched their valleys with alluvial silt. Soil conditions are therefore far more favourable.

The Gulf Stream pours warm Atlantic water into the Polar Basin and along the shores of Norway and north Russia. The flow of Atlantic water entering the Arctic Ocean is some 400 times that of the St. Lawrence as it enters the Gulf. This warm water provides a year-round route to the Russian Arctic, and keeps Murmansk ice-free in winter even though it is farther north than Cambridge Bay, which is still covered with ice in July.

In the Canadian north there are only two-well-marked natural transportation routes—Hudson Bay and the Mackenzie River. Northern Russia has a whole series of navigable rivers flowing north to the Arctic Ocean, nicely spaced at regular intervals. They are connected at the south to the Trans-Siberian Railway and in the north by the Northern Sea Route—an easier route than the Northwest Passage.

Northern Russia has always supported a much larger population than northern Canada and has a long history of development. As far back as the 10th Century the Russians reached the White Sea, and the advance through Siberia started in the 16th Century. The various native races of the Russian north total some 800,000 compared with 20,000 or so northern Indians and Eskimos. Another factor is that Russia, shut off from many of the world markets and with a compelling defence argument for self-sufficiency, has been thrust back on her own resources and this has undoubtedly assisted northern development. Nickel, tin, and diamonds are examples of an apparent Soviet deficiency being met by northern production.

Certainly one of the most important factors that has led to the development of the Russian north, possibly the most important fact of all, has been the Soviet attitude towards research. From the first the Soviets have recognized the importance of northern research. The government-controlled Arctic and Antarctic Institute in Leningrad, the network of scientific stations in the north, the scientific institutes throughout Siberia, the floating stations on the ice of the Arctic Ocean, and now the comprehensive Russian research programme in the Antarctic, provide overwhelming evidence of the importance and priority they give to polar science. The results of research sometimes appear in startling advances, like the sputniks; more often they appear as many small steps rather than one big one, Radio communications become more reliable, charts more accurate, ice reconnaissance more useful. There can be no doubt that the Russians have made a very great scientific progress in the north and that this is playing a major part in their northern development.

Conditions in the Canadian North are on the whole more difficult and we have harder problems to solve. This does not mean that we must do less scientific work, but that we must do more. Our main hope of achieving substantial reductions in the cost of northern operations lies in intense and continued research. At the best research can lead to completely new principles and techniques, which might eliminate the disadvantages now inherent in northern operations. We have only to think of the implications of nuclear-powered cargo-carrying submarines operating under the ice, and the applications of the hovercraft, which can move over water, level land, and ice, and operate during break-up and freeze-up, as well as in summer and winter, to realize something of the new horizons that are coming into view. In any event the data resulting from research will allow planning to be carried out more thoroughly, in more detail, and with more of the knowledge of conditions that is so important for efficient development, and without which a particularly heavy penalty is always paid in the north. There is no more expensive place to make mistakes.

There is in fact an even greater challenge for research in the Canadian north than in the Soviet north. There is a bigger part for it to play, and the advantages it brings will mean much more. In the past, it has often been said that trade follows the flag. We can say nowadays, with equal truth, that development follows research.

THANKS OF THE MEETING were expressed by Mr. David G. C. Menzel.

ANNUAL MEETING

Thursday, April 18, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

PRESIDENT'S REPORT: As this is the final regular meeting of our Club for the season commencing October 1st, 1962, our Constitution requires that our Annual Meeting be held today and it has been the custom for the President to submit an Annual Report at such meetings.

This will be brief because I know you are anxious to hear our distinguished guest speaker. A report on the membership and on the finances of the Club will be published in the Year Book. Our year ends on April 30th, but from the information available it appears the membership will be 2078, which is 83 less than last year. Notwithstanding this, we have kept very close to our budget. I expect that disbursements may exceed receipts by a very small amount but I can assure you the Club is in a satisfactory financial position to afford a slight deficit on the year's operations if there is one.

Including today's meeting and the one to be held next Monday, April 22nd, to hear Viscount Slim, there will be a total of 27 meetings. Four of these have been joint meetings and I would like to express appreciation of our association with the Canadian Club, Toronto, the Board of Trade for Metropolitan Toronto, the Canadian Military Institute, the Lawyers Club and others who have joined our meetings.

In choosing speakers, your Board has adhered strictly to the purpose of the Club, which is to promote the best interests of Canada and the Commonwealth, and to obtain persons who can speak with authority on issues affecting those interests.

May I express my deep gratitude to all the Directors and officers of the Club. Without their active assistance, advice and co-operation my task could not be carried out. It was unfortunate that in August last General Howard D. Graham, who was 1st Vice-President and Chairman of the Head Table Committee, was forced to resign on account of his health. As a result Major Arthur Langley became 1st Vice-President and Mr. R. Bredin Stapells, Q.C., became 2nd Vice-President. The Chairman of the Head Table Committee for nearly all the season has been Mr. Harold Gillingham and I could not say enough here about the wonderful manner in which he has performed this task.

May I also express appreciation on your behalf to Mr. R. Ford Ralph, and the faithful members of the Reception Committee; to Mr. R. B. Stapells, Q.C., chairman and the members of the Membership Committee; to Mr. Douglas W. Best, Chairman of the Publicity and the Year Book Committees and to the members of those Committees. The Past Presidents, also, have given fine support. Mr. H. Vernon Hearst, Q.C., our Secretary-Treasurer, has been most faithful in the performance of his duties. There are many who assist our operation, including the management and staff of the Royal York Hotel, Mr. Stanley St. John, who provides the music, the Press and Canadian Broadcasting Corporation. To all of them on your behalf, I express sincere thanks.

There are many more matters that occur to me about which I could speak at this time. What more can we do to remind Canada of her part and her obligations in the Commonwealth? Is Canada's surge toward nationality and the independence gained in many other parts tending to stretch too far those intangible bonds of Empire? Such questions as these confirm my conviction that our Club still has much to do, that we must tighten our guy-ropes and continue to pursue the purposes for which this Club was founded nearly 60 years ago.

It has been a great honour and privilege to have been your President for the past year. Those things I have thought about, but have not been able to accomplish, may receive further consideration from your new President and the new Board of Directors.

Now, I request your consideration of the report of the Nominating Committee which will be presented by its Chairman, Lt.-Col. Bruce J. Legge, Q.C., the President of the Club in 1958-59.

"THE RESULTANT OF FORCES"

An Address by

H. GEORGE DeYOUNG
President, Atlas Steels Limited

Thursday, April 18, 1963

CHAIRMAN: The President, Mr. Palmer Kent, Q.C.

1:00—Annual Meeting—60th—*President's Report*
1:05—Lt.-Col. Bruce J. Legge, Q.C., Chairman of the Nominating Committee.
—Request Mr. Vernon Hearst, Q.C.—Secretary-Treasurer—to cast one ballot in favour of those nominated *or adopt resolution moved by Legge.*
—Chairman declares the Directors to be duly elected for the ensuing year. Officers will be elected by the Board of Directors when the recommendations of the Nominating Committee are received.
—Motion for the appointment of the Auditors. Honorary Auditor—Mr. H. T. Jamieson, F.C.A. of H. T. Jamieson, Lemay & Co.

MR. KENT: In its January issue this year, the magazine "Canadian Business", which is the official magazine of the Canadian Chamber of Commerce, featured Mr. H. George De Young on its cover and also contained an extensive article on "What's Ahead for the Productivity Council." The article was based on an address, in the nature of a progress report on the work of the Productivity Council, given by its Chairman, Mr. De Young. This address made it clear that National Economic Planning was a fact in Canada. As this is a most important issue affecting business in Canada, I am delighted that I can present to you today one who knows about the research and planning that has taken place and which will continue.

Mr. De Young was born in Grand Haven, Michigan. He attended Michigan State University and the United States Naval Academy at Annapolis, where he graduated in 1931 with a Bachelor of Science degree in Engineering. After his service in the Navy he entered the Steel industry and has risen to the important post he now holds. In 1951, he joined Atlas Steels Limited as Works Manager. Appointed to the Board of Directors in 1954, he was elected President in April 1956. In September of that same year, he became a Canadian citizen.

Mr. De Young is a director of the Toronto-Dominion Bank, the Confederation Life Association, is executive vice-president of Rio Algom Mines Limited and is on the national executive council of the Canadian Manufacturers Association. In February 1961, he was appointed as Chairman of the National Productivity Council and, as a member of a Canadian Government Commission, he visited each member country in the European Economic Community. We welcome this distinguished Canadian to the forum of The Empire Club.

I present Mr. George De Young who will speak to us on the subject: "The Resultant of Forces".

MR. De YOUNG: Productivity is really a very complex subject. Because of this complexity, it means many things to many people. It is really an attitude of mind in which we, as a nation, constantly strive to achieve a growing economy which is capable of employing all of our people and maintaining a high standard of living. One reason for the complexity and confusion in our minds about productivity is that it is actually the resultant of many forces bearing upon an organization or an economy while it produces its wealth. If all the forces are maximum and positive, ideal or maximum productivity can be achieved. However, this is seldom the situation.

In a manufacturing firm—on a farm—even in government, the economies of scale have a direct effect on productivity. Competitive ability can be measured roughly by the value added to the finished goods per employee in a manufacturing firm. In Canada, firms selling less than $100,000 worth of goods per year (and there are over 22,000 of these) had an average value added figure of $3,655 per person and many of these firms had less than $3,000 value added per employee. Firms selling between $100,000 and $1 million worth of goods a year (of which there are about 12,500 in Canada) had a value added figure of $5,500 per employee. Plants selling over $1 million worth of goods a year (which are about 7% of all Canadian industry) had a value added figure of $8,500 per employee. The highest in this bracket running as much as $20,000 per employee.

While mere bigness is not the criteria, the optimum sized industry really is the criteria of contribution to productivity. Specialization is one of the attributes which contributes to high productivity.

I am informed that in the chemical industry, if Batch-type and Refinery-type plants were made of optimum size it is possible to quadruple capacity by only doubling the capital expenditure, with a resultant reduction in operating costs of 25 to 40%.

Criteria of farm productivity can readily be ascertained from D.B.S. statistics which show a 50% volume increase and a manpower decrease of 40%. This trend is sure to continue as changes in marketing and governmental arrangements occur.

The measurement of what a competitive industry is becomes different if changes occur in climate and policies for trade at a national level. What may have been a productive competitive industry in 1950 may well be out of the race completely in 1970.

When one set of circumstances or rules change others must become flexible too. Rigidity of thought results in frustration. We are all aware of the rules and circumstances which are changing in the world, of liberalizing trade patterns and governmental combines for trade. Hence, we need recognize this powerful force having a governing effect on Canada's productivity.

Research is one of the major contributors to productivity in that it provides new markets and new demands which must be filled. While planned obsolescence becomes the subject of criticism in some cases, there are industries such as the chemical industry in which the obsolescence of commodities is very high. It has been stated that many of the industries now in existence are based on products which were unknown twelve years ago. The need for research in Canada is a very great one.

The results of Bureau of Statistics surveys have shown that Canada, for 1959, lags behind the United States and the United Kingdom by a factor of 3 to 4 in research and development expenditures. In spite of objections by some to methods of comparing national levels of research, it is evident that Canada is far behind in industrial research, by any basis of comparison.

In our competitive system most companies recognize they cannot maintain let alone expand sales, except by improving existing products, increasing efficiency, marketing new items and otherwise meeting the innovations of competitors. Obsolescence of products, equipment and processes is a continuing problem that all industry must face. Research provides the technological basis for expansion and new business, and erects a defence against technological obsolescence. It may also be the basis of diversification of a company's operations.

Our report on research in the Canadian mineral industries illustrates the importance of the factors of size in determining the amount of expenditures made for research in Canada. Companies employing 1,000 or more people, which constitutes 18% of the total surveyed, accounted for 94% of the total R and D expenditures made in the industry. Further, only 11% out of the total number of companies doing research were responsible for 76% of the total funds spent. It is evident from these figures that it is mainly the large companies that are making the R and D expenditures.

Since there are relatively few large companies in Canada we are at a disadvantage in providing support for industrial research on a national scale.

Turning to the matter of foreign ownership, we have the situation in the mining industries where foreign control of mining and smelting operations stands at 63% and, for the petroleum and gas industry, at 75%. Of the total R and D expenditures made by these two segments of industry, 40%

was spent in other countries. Similar statistics apply in other major industries.

Foreign ownership causes forces to work on the Canadian climate for investment, for tariff structure, for use of Canadian materials. It exerts forces on the Canadian Chamber of Commerce, on the Canadian Manufacturers' Association, on political thought, on union activity—in fact on every facet of Canadian economic life.

Productivity in the economy is also the resultant of the amount of investment which is being done. Without investment we have no chance of employing the 600,000 people who have left and are leaving the farms, nor the youth entering the work force. Without investments we will surely find the present unemployment figures—bad as they are—mild ones. If Canadians are serious about solving their own problems and maintaining control of their own destiny then this investment must come from Canadians.

Investment can be generated by the fact that a company has allowed itself to become so obsolete that it absolutely must make new investments to stay in business. It is also generated through research requiring new types of equipment to make use of new technologies. Investment is also inspired by a company's ability to enter developing markets which have not existed previously. It is generated by a climate of competitive endeavour in a nation that has decided to cooperatively solve its problems.

The location of these investments is the result of many forces, some of which are pretty well in the control of our government or foreign governments. The level of taxation has a direct bearing on the climate for investment. The incentives given to industry and manufacturing for making investments through tax procedures helps create the climate for productivity. The role which our Federal Government plays in GATT, insuring export markets, and in opening the Canadian market for foreign imports, have a decided influence on the ability of the Canadian economy to compete.

The present rigid Combines Act is a force having a measurable effect on productivity. The attitude of our government in making the Combines Act flexible to meet new conditions creates forces affecting all conditions. Should a policy to create climate for the formation of world competitive operations be established, controls of a different nature from those used for present purposes would be needed. The Act might be less vague, prejudging might well be essential. Many new aspects might evolve from a new concept of what a free enterprise economy is.

It is accepted in most free world closely-planned economies that it is free enterprise which is being planned. Studies of changes being made in other Commonwealth countries and in Europe could well help us if we had a climate allowing acceptance of change.

The type of statistics we use and their source have an effect on our competitive abilities and the ability to build a productive economy.

The provision of statistics which can be used without fear of inaccuracy or without controversy as to their neutrality is a need in Canada which can well be supplied by our Dominion Bureau of Statistics. The desire of the Federal Government to provide this sort of information would result directly in an influence upon the climate of our economy.

Management and labour spend days debating each other's statistics and usually generate friction in the process rather than harmony. Subtle assistance to bargaining like reliable statistics provision are more helpful to a productive climate than any labour legislation.

The policies and goals set by our Provincial Governments are a force bearing on productivity, such as the competition between provinces for attracting industry. In many cases this can only result in the duplication of investment and the fractionalizing of the already small Canadian market, thus inhibiting economies of scale to which I previously alluded. On the other hand, where natural advantages exist some cooperative arrangements to allow the exploitation of Canadian raw materials, energy and manpower towards supplying the world markets certainly should result in the most competitive type of economy.

The resolution of educational plans within the province is a controversial area which needs resolving, possibly at the Federal level. The previous government had indicated its willingness to provide funds for training and retraining. I feel this willingness will still prevail. The various provinces' response to this problem will have an immediate effect upon productivity and competitiveness of the Canadian economy and will, of course, have a direct effect on one of our Canadian idiosyncrasies, that we have great shortages of skilled workers and an unemployment of over 6% of our work force. It is a rather startling fact that some of the larger additions in numbers to the unemployment are in the younger people of the country, people who have never had jobs. More than half of the unemployed people are those who have never gone even to high school. The contribution to the competitiveness of the economy of these forces is directly under the control of our government agencies.

One of the first factors or forces having its effect on productivity is, of course, the labour force. If abundant people are available with high skills in the craft needed and if these people are motivated to good efficiency, a positive force for high productivity results. If, however, shortages exist either in skill or in the quantity of skilled people, something less than the ideal is possible. Regardless of the ideal skill and availability, if work attitudes are negative for any reason maximum productivity will not be achieved.

The attitudes of maturity of labour representatives are a decided force. The establishment of nationally oriented goals within the labour movement cannot come over night but it is reassuring to know that Canadian senior labour statesmen recognize a responsibility for making the pie larger before cutting it up.

Imagine their problem in changing direction and removing rigidity of thought throughout their ranks. Is organization and jurisdiction more important than members' status and conditions? I don't really wish to argue this point today but the interplay of forces from the confusion of short and long term goals—the varied interpretation of aims—the remnants of old philosophy—the reaction to management rigidity—impose forces of serious consequence to a labour leader wishing to make rapid progress towards a cooperative industrial society. I would like to quote from the official journal of the Canadian Labour Congress

> "These are some of the facts which have prompted labour leaders during the last few years to seek top level labour-management cooperation, so that together,

> in consultation with government, there can be a joint attack on national economic problems. Many of these problems transcend the needs of particular industries and involve the economic welfare and future of the whole nation.
>
> "It would be foolish to suggest that there are no barriers of mistrust and suspicion which will make cooperation difficult. It would also be naive to forget that there are traditions and prejudices which must be re-evaluated before cooperation can become an effective reality.
>
> "Regrettably there are still many Canadian employers who have yet to recognize that trade unions are here to stay or that workers desire some form of union security. On this point, the Joint Mission reported of Sweden: 'There is no question of union recognition in Sweden. Swedish employers not only approve of their employees belonging to unions, but they welcome it because they believe it results in greater orderliness in labour-management relations.'
>
> "We must also recognize that some labour organizations have not adapted themselves to contemporary conditions. A number of unions are now revising their structure and practices to bring them up to date. Others have yet to recognize that problems exist, let alone take steps to resolve them."

Contributions from the people of industrial organizations in all fields present an interplay of forces not always recognized.

If technological ability is of the highest quality then again a positive force is created. Engineers whose prints or figures leave something to be desired, create a negative result on productivity. How many willing workmen wait while somebody's figures are made to gibe with the job that is being done? It certainly is not indicative of a highly competitive or productive organization.

When something is said in Canada about cooperation there are many whose sole contribution to solving our problems is to criticize and obstruct—who say at once you can't import our solutions. I agree—we can't. As a matter of fact even in Sweden, that land held up as an ideal, everything is not coming out just as one might wish.

Let me read the conclusion of a speech to the Steel Mill Association in Sweden by Mr. Wilheim Haglund, President of Sandvikens Jernverk, a Swedish steel manufacturer:

> I would suggest the following course: 1. Not to require a further increase in the standard of living above what can be obtained through harder work. 2. To renounce general increases of costs until countries with which we have to compete reach a cost level approaching our own. 3. To keep the present length of the effective time of work and not introduce other cost increasing elements which further limit the industry's competitive ability.
>
> The Swedish steel trade today wishes to cry out loudly to make it heard far away—'Stop the increase of cost!'

It may even be that studying constructively the changes would indicate things to avoid as well and we should not miss the opportunity to learn.

Personnel and industrial relations people do not always have cooperation with labour among their goals. In common with some labour representation they may feel they thrive more on chaos. Containment of the opposition is a very real existent philosophy, and to be reckoned with.

Perhaps you recall the article in the April 5th Globe and Mail by Devon Smith, captioned "Cannot Import Labour Relations, Canada Warned."

> Government-labour-management cooperation in the European style may be more fashionable than realistic, senior industrial relations executives said yesterday in Toronto. They cautioned that the type of labour-management-government cooperation now contemplated for Canada could speed up the result it is meant to avoid—massive government intervention.
>
> Cooperation must begin at the employee-supervisor level and no amount of effort has turned up a substitute.

> Management may have too much of a passion for harmony. Conflict within an organization is not necessarily bad, and can yield constructive results and a dynamic organization.

I ask just one question—how can anyone contemplate what kind of cooperation is good for Canada unless all three parties discuss the matter having a mutual desire to find the Canadian solution? I know one thing absolutely—you will never get plant level cooperation while the senior management and labour leaders are bickering.

Senior management ability and philosophy are factors in the multiplicity of reacting forces. Even with the best philosophy and desire at the top, getting uniformity throughout the whole organization takes years. If management does not plan the work, does not set the proper goals, does not create the proper organization, does not choose the proper people or create the proper atmosphere through good communications, good productivity cannot be achieved.

We often hear arguments to the effect that all phases of productivity are management's responsibility and hence all prerogatives are also management's. This may be true but there is some room to question whether it is all black, all white, or whether there are some grey areas.

Beneath the effects of new trade policy developments, the appearance of new countries in the world market for industrial products will have inevitable repercussions upon the economies of the advanced industrial states. New techniques are being developed and utilized at a very high rate. All this means that the changes in economic structure, to which states and individuals have to adapt, will be very great. The rapid acceptance of such changes as imply a re-allocation of manpower and other productive resources toward the most efficient sectors is a precondition for maximum progress.

From the point of view of the individual, economic changes can, however, appear as both costly and troublesome. They may involve a change of workplace and type of occupation, as well as the breakaway from an accustomed environment, from old friends and cherished habits. They may mean the abandonment of old skills, of security created by seniority rights or adherence to a social insurance scheme. Financial loss is often incurred when looking for a new job, selling one's house and moving to a new place, or accepting a low income before new skills are acquired in a new occupation.

According to time-honoured economic and social doctrines the individual was supposed to shoulder all these burdens himself, when the economy needed his services in another form or place than before.

In actual fact there is no automatic mechanism that makes a rational readjustment very probable. Ironically enough, the individual most often is made aware of his need to readjust by being deprived of his means for readjustment; he becomes unemployed, or, in the case of a businessman, bankrupt. Financially, and psychologically depressed, he is hardly in a position to make a sound decision regarding his most rational future place in the economy.

Traditional manpower policies, e.g., in connection with employment insurance schemes, are still largely built upon the idea that this is the natural state of things. If an unemployed worker does not accept the first good (which is often the worst for him) job he is offered, he is cut off from the right to get any unemployment benefit, instead of being helped efficiently to seek, and get himself better suited for a job, where he could make his best long-run contribution to production. On the other hand "soft" insurance schemes which lure the worker to remain unemployed indefinitely in the hope of returning to his old job or of finding just a similar one, are of course no better, even from the human point of view—not to speak of all the subsidies and other costly devices countries provide to keep employment in obsolete and declining industries.

Does this indicate that management has no interest in unemployment? I'm sure they will deny it. Whose responsibility this is, is still debated—but never in a cooperative atmosphere. Many questions plague those of management who wish to progress. Has a manager the right to make a disastrous decision affecting the livelihood of all his people —just because he has the title of manager? Just because a man is on salary is he entitled to two weeks layoff notice, while just because a man is on hourly rate must he have only two hours? When the labour force of the farm is reduced by 600,000 people, who is responsible for providing new opportunities? If not farm management, does it follow that industrial management must accept the load?

Mr. Chairman, I have used perhaps too much time outlining a few—just a few—forces working in our land, the resultant of which is our national ability to compete and to employ all of our people and to maintain and improve our standard of living.

We have seen in the world today, in other countries, an endeavour to harness these forces and guide them in lines which will work toward the national good. While the countries which have undertaken this are generally those which were dislocated because of war, or are just newly emerging into the industrial era, we have seen that great strides have been made in these countries because of the simple managerial techniques of establishing a goal and building an organization and establishing communications with all segments of the economy toward reaching this goal.

This has been given an unfortunate name—planning. In this area Canada has had a decided lack. One of the greatest voids in our ability to do this sort of work has been the great lack of management-labour-government cooperation. Perhaps Canada does not want, or need, this cooperative effort. At least there are many who voice opposition. Up to now this is all they have done. They have not come up with a solution to our problem of insufficient growth. I am sure we can find a solution through a joint effort.

Statesmanship, hard work, dedication and patience are needed in Canada to provide a climate in which discussions of these forces I have mentioned can constructively take place. We must have more top managers willing to explore these questions with labour and government leaders. Real representatives of industry who can speak for their industry cannot be named in Canada today.

To establish a real federation of employers in Canada will take a long time. We must go through the interplay of forces as it affects companies and individuals. The need must become acute enough to cause people to bypass personal goals for greater national goals and for the longer term good of our children. The number of senior managers who are working to this end is growing.

While labour can present a more unified front, they too have need for more maturity. Fortunately, in Canada we have a nucleus of labour statesmen willing and anxious to accept responsibility for cooperation toward the national good. They have an awesome job ahead of them in spreading this attitude throughout labour ranks.

Mr. William Dodge, Vice President of the Canadian Labour Congress, spoke in Kitchener and said about this problem:

> Probably one of our greatest problems is that of convincing the rank-and-file membership of unions that, in the complex world of today, bread and butter issues cannot always be settled in terms of cents per hour and fringe benefits, which are simple objectives gained through the well understood mechanism of collective bargaining and, sometimes, the use of the strike weapon. Most union leaders already understand the complexity of the issues confronting the modern union.
>
> Labour's role will therefore become an extension of its traditional role of bargaining with employers. Instead of merely bargaining at the plant or industry level to secure for workers a fair return for their labour and some recognition of human dignity, unions will have to take on new responsibilities.
>
> We shall have to be prepared to participate in decisions on monetary policy, economic development, maintenance of full employment both nationally and regionally, the problems of trade, social welfare, and even the cultural aspects of our national life.

From our government leaders, Canada can well do with less politics and more courageous leadership than we have been getting. A definite Canadian trade policy must be forthcoming. Those responsibilities resting in public and private sectors must be delineated.

To find a way for top level cooperative communication from these three groups is the over-riding goal of the

National Productivity Council. A way must be found to develop understanding of these forces—to develop understanding of each other—to develop patience to work toward the good of all Canada.

When we solve this problem we may all be much older. We must take a long term view. Monsieur Peugot told me, during our visit to the Common Market, in answer to my question as to whether he could vote for a German for the president of a united states of Europe: "Not me. My son, perhaps. My grandson, surely." When we have the climate, then the details will fall into place.

With this view, our Council is proceeding toward its goal of fostering and promoting an accelerating growth in the productive effort of the Canadian economy so we may employ all of our people and insure an improving standard of living for all Canadians.

THANKS OF THE MEETING were expressed by Mr. Alexander Stark, Q.C.

“A SOLDIER LOOKS AT BUSINESS”

An Address by

FIELD-MARSHALL THE VISCOUNT SLIM
K.G., G.C.B., G.C.M.G., G.C.V.O., G.B.E.

Joint Meeting with the Canadian Club of Toronto

Monday, April 22, 1963

CHAIRMAN: President of the Canadian Club of Toronto, Dr. W. Harvey Cruickshank.

Dr. Cruickshank introduced Viscount Slim.

VISCOUNT SLIM: There was, not very long ago, an author of very amusing literary trifles, who said that he had occasion to consult the encyclopedia on the subject of intelligence and he opened it and he found a long article which started something like this. It said: “Intelligence can be considered under three headings: human intelligence, animal intelligence and military intelligence.”

Well, although I served several years in industry at both ends—the bottom and the top—and while I have had certain intimate connection for a considerable time, with government in civic administration, most of my working life has been spent as a soldier and I am, basically, a soldier and my approach to situations and problems and persons is still and remains that of a soldier. So it is not surprising if some of you think, even if you are too polite to say so, that this self-confessed soldier is rather presumptuous, possibly impertinent, to think that he has got anything to say about industry which can be of value. But, a soldier might have something to say.

After all, industry and military affairs really are close together; the larger industrial organizations become, the wider they spread their work, the more the problems that confront them, become similar to those that are met with by a general in a campaign. They are so similar that quite frequently I find myself very much at home in a board room. At times they become extremely remarkable, like when we were ready to take over Cordeau.

Then, too, soldiers have been engaged in these great enterprises for several thousand years longer than the business people and we might have picked up something in the course of that time. And, therefore, it might be possible that these problems, the big problems of organization, transportation, finance, communication, choices between technical methods, the choice of subordinates and, above all, the problems of human relations—they are all the same problems that face either large industry or military commanders. And we of the Army have not only been engaged in these problems for a very long time, but we have always been engaged in them on a much larger scale than business, and that head start we have always kept. For instance, there is no commercial or industrial organization that has ever attempted an enterprise as large, as complicated or as important as the D-Day landing in Normandy, and yet that was conceived, planned, directed and carried through to a successful conclusion by regular officers of the services. So, it is possible that a soldier might, looking at industry, have something not completely without value and I hope that will be the case with me.

Now, no man's experience, of course, covers everything and mine is very, very far from that. Before I say anything else, I would like to make it quite clear that I am not going to teach anybody his job, because we all have different jobs, nor am I, when I talk about industry, talking particularly about Canadian industry, because the whole purpose of my visit to Canada is to learn something about it and I am extremely ignorant of it now.

Now, industry, whatever its nature, really depends for its success, very largely, on its management. I would prefer to use the word "leadership", rather than "management". Leadership is a much more elementary and basic human relationship than management. I am always inclined to think that leadership is an art dealing much more with the spirit of a man and management is much more a science. And, anyway, I think any man would rather be led than managed. Wouldn't you?

Now, leadership—or management, if you like to call it that—is the combination of persuasion, compulsion and determination. All those three elements must be present in it. Even in an army, much more is done by persuasion, by gaining the confidence of your soldiers, than by barking harsh orders at them. Persuasion is a tremendous element in all this. Then there must be, in reserve, a determination that, when it is necessary, the unpleasantness and worse of using this compulsion must be accepted. The example is the purest form of leadership and, in many ways, the most effective because example, instead of saying "go on", says "come on" and men will always respond to that very much better.

If you asked me to define leadership, I should say that it is an extension of personality. Leadership is an extremely personal thing and everybody exercises it a little bit differently from everybody else. But it is, essentially, making people do what you want them to do even when sometimes they do not want to do it very much, by an extension of your personality.

Well, all right. If you are going to be a leader, leadership is the extension of personality. What sort of a personality does the chap have to have to become a leader?

It is very important to decide what the qualities of a leader should be, first of all, because we want to develop it in ourselves and, equally important, especially in industry and in the Army we want to be able to recognize those qualities very early in those who serve under us so that we can train them and bring them up and mark them for leadership.

Of course, if you want to list the qualities of a leader, you could go on with a list as long as your arm; but to my mind there are six basic qualities that a leader must have and which we must look for, and the first of these is courage. A leader must have courage. Courage is not so much a virtue, it is *the* virtue, because without courage there are no virtues. Faith, hope and charity and all the rest of them, are not virtues until it takes courage to exercise them. But a leader wants not so much physical courage, perhaps, as moral courage and that is a much harder thing to get. He must be prepared to do what he thinks is right, even if the consequences to him are not going to be very pleasant. Every man must be as big as his job and a real test of being as big as your job is to be prepared to give it up if people are trying to force you to do something which you believe so strongly is either morally or materially, if you like, wrong. But, courage is an essential of any kind of leadership.

Then, next to courage I would put will-power because if you want to lead, you will always find plenty of opposition and the most difficult opposition to deal with does not always come from your enemy or from your competitor in business; it very often comes from your own people and it is, very often, very genuine oppositon and you have got to have sufficient determination and will-power and tenacity to overcome that opposition. So, it is not much good trying to be a leader unless you have got will-power.

Next, I would put judgment, the power of balancing alternative courses and choosing the right one or, at any rate, a reasonable one. Now, if you select a leader who has not got judgment, the greater his courage, the stronger his will-power, if he lacks judgment, the more disastrous will be his leadership. So, judgment is an absolutely essential quality. As far as judgment is concerned, I always used it to tell my people, when I was in the Army, that when they had two courses of action open to them and the arguments appeared to be pretty equally balanced and they were in doubt as to which they should pursue, I always told them to choose the bold one.

Now, we are getting on where we have got courage and will-power and judgment, but the world is a very rapidly changing place these days and there is a quality of leadership which is becoming more and more important and that is flexibility mental flexibility. Any organism that survives in nature is able to adapt itself to new conditions; otherwise, it just fades out. Conditions are changing so rapidly and in every direction that, unless we have this mental flexibility, it is rather difficult to survive.

There is this struggle always in leadership between determination, so that it does not become just obstinacy, and flexibility, so that it does not become vacillation. Now, if you can hold the balance between determination and flexibility, I think anybody who can do that is well on the way to being a real leader. But it is not easy to do. Very often one changes one's mind and when I have done that, which I have done frequently, I have found a quotation from Emerson very useful. As far as I remember, Emerson at one time wrote: "A foolish consistency is the hob-goblin of a little mind." You try that when you want to change your mind; it is great company.

Then, of course, a leader must have knowledge. After all, unless you know more about the thing which you are telling other people to do than they do, you have no right to lead them. That does not mean that you have to know the details of the work of every man who serves under you. You can't expect an Army commander to drive a tank as well as a profesisonal tank driver, to take a wireless set to pieces and to put it together as well as a signaller or preach a sermon as well as an Army Chaplain or take out an appendix as well as an Army doctor, or something like that. But, he must have knowledge of all the conditions under which those things are done and how long they take and the strain that they entail on the men who do them and in what ways they can be helped in their tasks. And, of course, if he is down on the low level, if you are a section commander or a platoon commander you ought to be able to do everything that any man in your section or your platoon does at least as well as he can and if you can't, get out behind the hut and practise till you can; but as you go up, your detail knowledge must, of course, inevitably grow less.

Now, I have given you five qualities: courage, will-power, judgment, flexibility and knowledge, and there is one more that I think the real leader ought to have. If you have those five qualities, you will be a leader. Nothing will stop you from being a leader. But if you are to be a leader for me, then I think you must have one more and this is not so much of a quality as an element in which all the other qualities work, and that is what I would call integrity.

Integrity is a little more than just plain honesty. It is really the old, Christian virtue of loving your neighbour even before yourself, and "your neighbour", for a leader, is the people he leads and he must always think of them and put their well-being actually before his own. That is not only, I think, good ethics, but it is good business because one will find then that when your leader has integrity, even if things do not go very well with him, people will stand by him. If he hasn't got integrity, he will be a fair-weather leader and there are very few of us who have ever tried to lead anything who have not run into some pretty bad weather sometime.

In this exercise of leadership in any field, there are three elements. There is, first of all, the commander. In the Army, he is usually a General. In business, he may be a chairman or a board. But it is, whatever you like to call it, the top man or the top men. Then there are subordinates who are his subordinate commanders, divisional commanders or regimental commanders; in business, his managers, and so on. That is the second element.

Then, the third element is the communications system by which ideas pass from the top right through every individual in the whole organization. Now, the job of the top man or the board is really to make decisions and, having made those decisions on high matters of policy, it is an awful pity if they waste their time doing things that are not important. Having made their decision on it, it is their job to see that it is clearly expressed and it is very funny how well our education is alleged to be increasing. I really believe that our command of plain, simple, easily understandable English is growing less and everybody who sets out to be a leader, in any walk of life, wants to be able to express himself plainly, shortly, and clearly.

Now, beginning at the top with our commander or leader or chairman or board, one of the first things that they have got to do is to get themselves known. It is a very distressing thing, but in a great many firms and organizations the head man can go around his organization and, unless he is trailed around by a lot of other people, the ordinary fellow on the workshop floor won't know who he is. Now, a general or the head of any organization ought to be able to go into any camp, barrack, bivouac or any workshop, office, in his organization, and be recognized as the top man. That is, I think, the thing in which the Army is rather better than a good deal of industry. I think we in the Army usually achieve that. I know I used to walk into somewhere, unannounced, and I would hear the whisper go around, 'Here's the old bugger, what's he doing now?" Well, it was much better to be recognized than to be popular, and also, soldiers, and I think workers in all walks of life, have a habit of using words beginning with "b" almost as a term of endearment. But the head man must be known because he can't know everybody. But they must know him. And never laugh at a general who wears a pair of breeches and puts two patches on them, because he is fulfilling one of the outstanding requirements of leadership. He is getting himself known to the men he leads.

The temptations that assail the head of any organization to remain at your desk are increasing because the problems pile up and you have to keep in the centre of things; but do not let that become too strong. Get out and about. After all, if you are running the show properly you will have somebody that can take your place. If you have got a really good organization, it will run quite well for a week without your being there. If it runs as well when you are away for a month or more, well then you may as well stay away.

The second element in the exercise of leadership is the subordinate commanders, all the managers and the heads of areas, or whatever your organization has. Now, what they want, first of all, is a clear directive of what they are supposed to be doing. They ought to be fully in the mind of the top man or top board and it is necessary that they should understand very clearly what his object is, what he is trying to do. Now, I have had an immense number of orders and directives sent out in my name and those of you who remember the military order, there is one thing in it which is called the "intention". It is usually the shortest paragraph in the order and I had a lot of very, very good Staff Officers who could write orders much better than I could, but I always wrote the intention paragraph myself. It was usually the shortest in the order, but I think it is the most important because if the intention of the directive is known, then you can allow your subordinates a great deal of flexibility and a great deal of room in what they do to obtain it, so long as they keep well within the bounds of the directive. We are a little inclined to breathe down the necks of our subordinates and when we do it is, very largely, for one of two reasons: (1) because we are not quite sure we have chosen the right man, and that is our fault, and (2) we have not really made our intentions to him clear and we are not quite sure that he will keep within the bounds of the intention.

Another thing about subordinates is sometimes the subordinate fails. In the Army, he may lose a battle or do something wrong. Well, I have always found that it was not a good thing to rush to him and sack him on the spot; it was much wiser to find out why he had failed because sometimes, especially in war, men fail because things happen of which they could not possibly have any foreknowledge and in an attack somewhere there happened to be two enemy divisions that just arrived the night before, or the weather might suddenly have changed, and it was always a good thing, I found, to go down and find why he had failed. But, do not be in too big a hurry to sack a chap until you know why he went wrong. If he did it because he was clod-footed or plumb-stupid or something like that, well, you can't get him out quick enough. But give him a chance to find out why.

Now, one of the most difficult things in leadership, especially in industrial leadership, is what I think we can call "communications", which means how you get the intention of the top man right to the boy with the oily rag, right down through the whole organization. And it sounds stupidly simple but I have always found if you want to get people to understand something you want to tell them, the simplest thing is to go and tell them. Now, I have a belief that occasionally—not very often, but occasionally—the top man, he may be the top of a great organization or he may be the manager in the factory, he ought to assemble the people. Now, of course, if you run an organization with one hundred and twenty thousand workers in it, you can't do this all at once. You will have to split them up. But what I believe in very much is collecting the whole of one bloc, the managers, sub-managers, the foremen and workers, right down to the old boy who sweeps out the workshop floor, and get them all together in one place. There are advantages in that. It makes them feel a team. Then tell them what you are trying to do. You do not have to be an orator to do that. Only two things are required. One is to know what you are trying to do and the other is to believe in it yourself, because if you try to tell people things you do not believe in yourself, unless you are a very clever politician, you will be found out. I think that should be done sometimes.

Another thing which sometimes I have noticed some firms—not any with which I am connected—the thing some firms are not very good at: they get a little bit confused on the channel by which you would pass down your instructions. You must, of course, keep your trade unions and your trade union representatives very closely in touch with you, well aware of what you are trying to do and of the effects it will have to pass your information down through what I would call the proper channel of command and let your foreman know about it at least as soon as your shop stewards. You know, sometimes in industry we are not very good in making what I would call the N.C.O's. of industry feel that they really are part of the management. In the Army, we have our non-commissioned officers, but you will notice that we call them "officers". They have something on their sleeve. I may have something on my shoulder, but we are both officers and if you have got any sense, when you are commanding a regiment, you impress very much on your N.C.O's. that they are non-commissioned "officers". I think very often in the lower ranks of the administration of industry we would be well advised to do that a little more than we do and make them realize that they really are a welcome part of the management.

Now, industry gets more and more complicated and to me, a soldier, it grows more and more like a campaign and I think, looking at it as a soldier, on the many, many fronts of it at home and abroad, there are two or three to which we might possibly pay a little more attention or even look at the Army and see if there is anything there that we might pick up.

Now, first of all, there is the technical front. It is absolutely essential that whatever industry we are in, we should keep well in the forefront technically. If we don't, we shan't survive. That, of course, entails a very close study of the proportion of your resources you will spend on research and of the amount that you spend on research, or devote to research, how much you will devote to developing lines that you are already working on, improving your capacity for turning out things you are turning out, and how much you will devote to what is much more fundamental in research and that is a problem much greater and, having settled that, it is one on which the future prospect of our industry depends very much. Another thing is the continuation of progress, technical progress of his education which starts long before a man comes to join an industry, and we are very much inclined, I think—certainly in Great Britain, and we certainly were in Australia—to have this idea that you have got to shove everybody through university. Perhaps I am prejudiced because I never went to university. But they used to tell me in Australia that we must have five thousand more scientists. Well, believe me, if they had had five thousand more scientists the next morning, they would not have known what to do with them. They have got scientists—at any rate, fellows with B.Sc. degrees—watching dials in control rooms and, honest to God, I believe I could learn to do that in a week. When your needle goes into the red, you pick up a telephone and say, "Number five furnace is getting too hot." What we want, I think, even more than these very large numbers is quality, and you will make more progress if you have five hundred really first-class technicians or scientists than you will if you have five thousand ordinary ones, and we ought to go in our education systems, I think, very much more for quality. If you will repeat that to anybody, I shall get a lot of letters tomorrow morning telling me I do not know anything about it—but, that is what I believe.

Another thing, I think, in which industry lags is long-range planning. We get mixed up between what is planning and what is development. To me, a soldier, planning is something you do quite a long way ahead and a lot of it you never use. But, you take, for instance, when the Common Market, two or three years ago, burst on an astonished British industry. The damn thing had been going on about five years and had been talked about for about fourteen years, but you found there were a large number of British in the United Kingdom ran about saying: "What the hell is this Common Market and what are we going to do about it?"

They would have been very much better off if four years earlier they had got down to planning what the Common Market meant to them and the effect it would have, if it came, on their business. In that, I really do think that the services, the Army, can teach industry something.

I believe, however, large industry should have a small group of planners. The planners would be quite young men. They would be taken from various parts of the industry in which they had already distinguished themselves. They would be relieved of all executive authority. They would be put directly under the control of the Chairman or one of the Vice-Chairmen and their job would be to go around the organization, with the authority of the Chairman, and ask any questions they liked, find out about things, produce ideas and work on any ideas that were given to them. I think that would produce a dividend. Don't keep them out too long or else they get swell-headed, but send them back to the grind-stone every two years, or every eighteen months, if you like, and pick new ones. But, I do think every organization should have a small planning section, responsible to the top management, with no executive authority, whose job is simply to discover and examine ideas. I think, very often, the sections of industry are not terribly good at that—planning is a bit muddled.

Then, the other that we have to do is to recognize, select and train subordinate leaders. Now, an Army in which the only leaders are the Generals will never win any victories at all. You have to get leaders the whole way down and it is the same in industry. You have to spot them quite early because it is no good having a fellow in the ranks for fifteen years and then expecting him to become an officer—he won't. We have to have some organization in industry, like you have in the Army, that begins to look for potential leaders as soon as they join. You know, when we had National Service in the Army, the boy came in and from the day he joined he was being looked at either as a potential N.C.O. or as a potential officer, because we only had him two years and we wanted to use the potential officers for eighteen months as officers, and we had jolly good officers that way. But I think very often in industry we are not quick enough to spot the fellow who could become a good executive. We know the qualities that we ought to look for but we haven't got a good system of looking for them or reporting them when we find them. But, to go even higher, I think when you want a senior executive, sometimes there isn't a very good method of selecting him. You see, in the Army, if I wanted a Divisional Commander, I would very likely pick one that I knew and he would, I hope, do a good job; but the military executive furnish and put on my desk four names with a little history of what they were and what they had done and they would say: "Any one of these four will do the job, but some of them have such and such faults and some of them have lack of qualifications, and so on." In industry, one is awfully inclined to miss a chap who has been working in another section of a large industry and go to the chap he knows very well. But I think we ought to have organization which will put every man in front of whatever does the selection. We have, in industry, to a very large extent, copied the methods of training in the Army and I think that is very wise. We have our staff colleges and they are modelled completely on the ordinary Army life. They run the same way and their methods of instruction are the same and I think that is very good and it works very well. But there is one thing a good many industries are not totally good on and that is, having got a fellow who is likely to be a potential executive, very often his career is not planned; he is not given the wide experience that he should have. People are obviously reluctant: if you were the manager of a factory or a department and you have got a good chap under you, you are in no hurry to send him away. But, there should be some organization which looks for a man in ten years' time to be one of our leading executives. He has the qualities and now he has spent all his time in one line. They will shift him over to another because he will need that when he gets up. I do not think we plan careers of our most promising chaps in industry as well as we should.

Now, I have talked a good deal too much, but one of the things is that industry is changing—the world in changing, politically and materially, morally and in every way the world all around us is changing. But it is not changing like it used to fifty or sixty years ago when I was a boy. The world is changing now as if somebody had his foot down hard on the accelerator of a sports car and we have got to be alive to that. But, it is not good, and it is quite wrong to go about shaking one's head saying, "Oh, things are changing." Of course they are changing; anything that lives changes and the thing to remember is that change is only another name for opportunity. And why shouldn't it be our opportunity?

THANKS OF THE MEETING were expressed by Mr. J. Palmer Kent, Q.C.

THE EMPIRE CLUB OF CANADA, TORONTO, ONTARIO

REPORT AND ACCOUNTS

30TH APRIL, 1963

18th June, 1963

The President and Directors,
The Empire Club of Canada,
Toronto, Ontario.

GENTLEMEN,

Further to our Report of this date to the Members of The Empire Club of Canada, Toronto, Ontario, we beg to advise as follows:—

Membership Fees:

We are satisfied that, in total, all 1962-63 fees receivable from Members on record as in good standing as at 30th April, 1963, have been accounted for.

Membership Roll:

Following is a summary of the Membership Roll for the year:—

	Resident	*Non-Resident*	*Honorary and Life*	*TOTAL*
Membership Roll as at 30th April, 1962	2,036	90	34	2,160
Net Increase or (Decrease)	(80)	(4)	2	(82)
	1,956	86	36	2,078

The Secretary-Treasurer has certified that the Roll as at 30th April, 1963, contained 2,078 Members as above.

Investments:

During the year $2,000.00 Par Value Government of Canada Bonds were purchased at a cost of $1,850.00. To the extent of $300.00 this purchase represents the investment of Life Membership Fees received in the fiscal years 1961, 1962 and 1963.

Payments:

All payments made during the year were authorized by the Board of Directors.

Liabilities:

The President and the Secretary-Treasurer of the Club have certified that there were no outstanding accounts as at 30th April, 1963.

Fidelity Bond:

Mr. H. V. Hearst, the Secretary-Treasurer, is bonded for $2,000.00.

Insurance:

Office Furniture is covered by a fire insurance policy in the amount of $725.00.

Acknowledgement:

We express our appreciation of the courtesy and assistance extended to us during the course of our audit.

Reported by,

H. T. JAMIESON, LEMAY & COMPANY
Chartered Accountants
Honorary Auditors

THE ANNUAL FINANCIAL STATEMENT

Receipts and Payments for the Year Ended 30th April, 1963

Cash on Hand and in Bank 30th April, 1962				$4,437.39
Current Receipts:				
Membership Fees		$12,097.00		
Proceeds from Sale of Year Book		9.00		
Interest—Bank	$123.78			
—Bonds	209.96	333.74	$12,439.74	
Current Payments:				
Luncheon Expenses—net of proceeds of sale of Tickets		$ 813.44		
Honorarium: Secretary-Treasurer		1,500.00		
Miscellaneous Expenses		354.09		
Music		260.00		
Printing, Stationery and Postage		3,402.10		
Printing 1961-62 Year Book		4,287.40		
Recording and Publicity		694.72		
Rent		240.00		
Speakers' Fees and Expenses		588.60		
Telephone and Telegraph		167.04	12,307.39	
Excess of Current Receipts over Current Payments				132.35
				$4,569.74
Life Membership Fees Received				100.00
				$4,669.74
Investment of Surplus Funds and Life Membership Fees:				
Purchase of $2,000.00 Par Value Government of Canada 4½% Bonds due 1st September, 1983				1,850.00
Cash on Hand and in Bank as at 30th April, 1963				$2,819.74

We report that we have examined the books and accounts of The Empire Club of Canada, Toronto, Ontario, for the year ended 30th April, 1963, and have obtained all the information and explanations we have required and that, in our opinion, the above Statement shows correctly the Receipts and Payments of the Club for the year ended 30th April, 1963.

In addition to the Cash Balance of $2,819.74, the Club held at 30th April, 1963, $6,000.00 Par Value Government of Canada 4½% Bonds maturing 1st September, 1983.

At 30th April, 1963, the Club was committed to publish the 1962-63 Year Book at an estimated cost of $4,500.00.

H. T. JAMIESON, LEMAY & COMPANY,
Chartered Accountants,
Honorary Auditors.

Toronto, Ontario,
18th June, 1963.

OFFICERS AND EXECUTIVE COMMITTEE

1963-1964

Honorary President: HIS EXCELLENCY MAJOR-GENERAL GEORGES VANIER, D.S.O., M.C., C.D., GOVERNOR-GENERAL OF CANADA

Officers:

President: ARTHUR J. LANGLEY
First Vice-President: HON. D. R. MICHENER, P.C., Q.C., LL.D.
Second Vice-President: R. BREDIN STAPELLS, Q.C.
Third Vice-President: REV. E. M. HOWSE, S.T.M., Ph.D., D.D.
Secretary-Treasurer: JOHN W. GRIFFIN
Honorary Secretary: ERNEST MILES
Honorary Treasurer: R. FORD RALPH
Honorary Auditor: H. T. JAMIESON, F.C.A.

Executive Committee

R. L. ARMSTRONG
IAN S. BAXTER
DOUGLAS BEST
NORMAN BORINS, Q.C.
J. H. CORRIGAN, Q.C.
DR. HAROLD B. CRANFIELD
DR. CLARENCE B. CRUMMEY
MARVIN B. GELBER, M.P.
HAROLD G. GILLINGHAM
C. WARREN GOLDRING
GRAHAM M. GORE
HON. PAUL T. HELLYER, M.P.
LT. COL. R. H. HILBORN
H. N. R. JACKMAN
WILLIAM M. KARN
MAJOR T. C. KEEFER
J. B. MCGEACHY
DAVID G. C. MENZEL
DONALD G. NEELANDS
DR. JAMES A. PARISH
J. K. WILLIAMS, Q.C.
R. J. WOOD

Immediate Past President

J. PALMER KENT, Q.C.

Past Presidents

Z. S. PHIMISTER
ALEXANDER STARK, Q.C.
HAROLD R. LAWSON
LT. COL. BRUCE J. LEGGE, Q.C., E.D.

CONSTITUTION

INSTITUTED 1903

THE OBJECT OF THE CLUB IS THE ADVANCEMENT OF THE INTERESTS OF CANADA AND A UNITED COMMONWEALTH AND EMPIRE

Organization of the Club and Branches

Art. 1.—(1) The organization shall be called The Empire Club of Canada.

(a) "The purposes and objects of the Club shall include the consideration and discussion of subjects and events affecting the interests of the British Commonwealth and Empire and the promotion of unity among the nations and members within the British Commonwealth and Empire.

(2) Branches of the club may be established with the authority of the Executive Committee, and subject to such conditions and regulations as may from time to time be decided upon by the Club in Toronto.

(3) A committee may be appointed under the provisions of sub-section 2, article 1, for the establishment of branches of the Club, and the word "Unit" shall denote a Branch.

Classes of Members

Art. 2.—The Membership of the Club shall consist of

(a) Active Resident Members,
(b) Non-Resident Members,
(c) Life Members,
(d) Honorary Members,
(e) Associate Members,
(f) Corporate or Sustaining Members.

All members must be of the full age of sixteen years, and members of classes (a), (b), (c), (d) and (f) must be British subjects.

Active Resident, Non-Resident and Associate Members

Art. 3.—(1) Candidates for Active Resident, Non-Resident and Associate Membership shall be proposed and seconded by two members of the Club in good standing, and shall be elected by a two-thirds majority of those present at any meeting of the Executive Committee.

(2) Subject to sub-section 4 of this article Active Resident, Associate, Non-Resident and Life Members shall pay respectively such annual fees as may be fixed from time to time by the Board of Directors, and no member in arrears for fees shall be considered in good standing or be eligible for office.

(3) Associate members shall not have the privilege of voting or holding office.

(4) Members whose applications for membership are received after the first day of April in any year shall pay one annual fee only in respect of the period from that time till the 30th day of September in the following calendar year.

Life Members

Art. 4.—(1) Members of the Club in good standing, and other persons regularly proposed and accepted, may be created Life Members of the Club by a two-thirds majority of those present at a meeting of the Executive Committee.

(2) Life Members shall pay a fee of $75.00 in one sum.

Honorary Members

Art. 5.—(1) Honorary Members may be elected upon the recommendation of the Executive Committee, and at a general meeting of the Club.

(2) Honorary Members shall be exempt from the payment of fees, but shall not have the privilege of voting or holding office.

Corporate or Sustaining Members

Art. 5A—Any company, partnership or business organization shall be eligible for election as a Corporate or Sustaining Member. Applicants shall be proposed by two Active Resident Members of the Club in good standing and the application shall contain the name and position of the Officer nominated by the Applicant as its Candidate for membership. The Applicant and its Nominee shall be elected by a two-thirds majority of those present at any meeting of the Executive Committee. A Sustaining or Corporate Member shall pay an annual fee of $50.00 which shall include the fee of its representative member.

Officers to be Elected

Art. 6.—(1) The business of the Club shall be managed by a Board of Directors who may exercise all such powers and do all such acts and things that may be exercised or done by the Club and are not by the constitution or by statute expressly directed or required to be done by the Club at a general meeting of its members.

(2) The Board of Directors shall consist of 30 members of the Club who shall be elected annually at a general meeting held not later than April 30th in each year.

(3) The Board of Directors may include seven past presidents of the Club, one of whom shall be the immediate past president and three others shall consist of the three past presidents immediately preceding the immediate past president, if they are available and willing to act as directors.

(4) The Board of Directors shall meet as soon as convenient after their appointment for the purpose of appointing the officers of the Club (except the auditor or honorary auditor), for the year ending on April 30th but each officer shall continue in office until his successor is elected.

(5) The officers shall consist of an Honorary President, President, first, second and third Vice-presidents, Honorary Treasurer, Honorary Secretary, a Secretary-Treasurer, and if considered necessary by the Directors, an Assistant-Secretary, an Assistant Treasurer and an Honorary Auditor. The Honorary President, the Honorary Treasurer, the Honorary Secretary, the Secretary-Treasurer and the Honorary Auditor are not required to be Directors of the Club.

(6) In the event of any vacancy occurring in the office of Director, the remaining directors may fill the vacancy from among the members for the unexpired portion of the term of office of the person whose office is vacant.

(7) The election of the members of the Board of Directors at a general meeting called for that purpose shall be by adoption of a resolution proposed by the chairman or acting chairman of a nominating committee. The nominating committee consisting of five members of the Board of Directors and four other members of the Club shall be appointed by the Board of Directors and approved at a regular or special meeting of the Club not less than four and not more than six weeks before the Annual Meeting. The Chairman of the Nominating Committee shall report the recommendations of that committee to the Annual Meeting. If nominations do not exceed the number of Directors necessary, the Chairman of the Meeting may instruct the Secretary-Treasurer, to cast one ballot in favour of those so nominated and thereupon such persons shall be declared by the Chairman to have been duly elected.

(8) The Nominating Committee shall recommend to the Board of Directors the proposed officers of the Club for the ensuing year, except the auditor or honorary auditor, and shall report their recommendations to the Annual Meeting, and the auditor or honorary auditor shall be elected at each Annual Meeting.

(9) Standing Committees shall be appointed as follows:
(a) Budget and Finance Committee.
(b) Speakers' Committee.
(c) Membership Committee.
(d) Constitution Committee.
(e) Luncheon and Reception Committee.
(f) Publicity Committee.
(g) Year Book Committee.

Filling of Vacancies Among Officers

Art. 7.—In the event of an office becoming vacant by death, resignation, or otherwise, the vacancy thus caused shall be filled by the Executive Committee and the person so chosen shall hold office until the next Annual Meeting.

Duties of Officers

Art. 8.—The duties of the Officers shall be those customary to such positions in similar organizations.

Holding of Meetings

Art. 9.—(1) The Club shall hold general meetings weekly, if possible, from October to April, both inclusive, in each twelve months with such intermissions as from time to time may be decided upon.

(2) At the Annual Meeting a report of the year's proceedings and work shall be submitted by the President, and this report shall be accompanied by an interim report from the Treasurer. An audited statement of the finances of the Club for the full financial year shall be published in the Year Book.

Notice of Meetings

Art. 10.—Written or printed notices of all meetings shall be given to the members of the Club. Such notices shall be sufficient if addressed to the members, and deposited post paid in the post office in Toronto.

Quorum at Meetings

Art. 11.—Fifteen members in good standing shall constitute a quorum at any meeting of the Club, general, annual or special, and the presiding officer shall have a casting vote. Nine members shall form a quorum of the Executive Committee.

Limitation of Business at General Meetings

Art. 12.—No business other than the hearing of the addresses and notices of motion shall be introduced at any meeting of the Club, unless it has been submitted to the Executive Committee and received its approval.

Calling of Special Meetings

Art. 13.—Meetings of the Executive Committee shall be called by the President, or on a requisition signed by three of its members. Special meetings of the Club may be called by the President, and shall be called by him on a requisition signed by twelve members and stating the object of the meeting. This object shall be stated in the notice calling the special meeting.

Financial Year

Art. 14.—The Financial Year of the Club shall begin on the first day of May in each year and end on the thirtieth day of April in the year following.

Amendments to Constitution

Art. 15.—This Constitution may be amended at the Annual Meeting, or at a special meeting called for that purpose, subject to a two thirds majority vote of the members present.

MEMBERSHIP

as at date of publication.

HONORARY MEMBERS

His Excellency Maj.-Gen. Georges Vanier, D.S.O., M.C., C.D.
Field Marshal The Rt. Hon. Earl Alexander of Tunis

Daniels, D. K., O.B.E.
Frost, Hon. Leslie M., P.C., Q.C., LL.D., D.C.L.
Gardiner, F. B., Q.C.
Geary, Major B. Handley, V.C.
Gillespie, Lt.-Col. George H.
Mackay, Hon. J. Keiller, D.S.O., V.D., LL.D.
Pratt, E. J. C.M.G., M.A., PH.D.,
Stapells, H. G., Q.C., M.A.

LIFE MEMBERS

Allan, William N.
Clouse, F. L.
Cobham, Arthur H.
Cosens, Gordon G.
Eaton, Donald L. H.
Eisen, Sol
Gardiner, F. G., Q.C.
Gibson, D. H., C.B.E.
Gordon, Crawford Jr.
Hough, Thomas Edward
Johnston, Wm. D.
Low, S.
Ridley, John B.
Roman, Stephen B.
Rosen, Allen E.
Sandy, J.
Scythes, J. A.
Smeed, J. R.
Suchorab, S. A.
Sullivan, Hon. Dr. J. A.
Thomson, Garth O.
Thomson, K. R.
Tindall, H. B.
Watkins, Wm. B.
Wilson, Col. J. E.

RESIDENT MEMBERS

Abbey, Robert
Abbs, Charles E.
Abel, John B.
Abernethy, Lt. Col. W. W.
Abra, J. S.
Acheson, Arthur P.
Adair, Joseph
Adams, A. H.
Adams, G. W., Q.C.
Adams, H. R.
Adams, J. C.
Adams, W. Bruce
Adamson, Edwin F.
Adamson, Walter
Adye, Rev. Canon E. R. G.
Agar, Norman E.
Ainsborough, F. J.
Aird, A. E.
Aitchison, R. J.
Alberts, Edgar T.
Aletter, Howard G .
Alexander, Robert
Algar, John B.
Allan, Dr. Blandford
Allan, Richard J.
Allanson, Harry E.
Allen, Ivan V.
Allen, Ralph
Allingham, N. W.
Allworth, Robert D.
Ambridge, D. W.
Ambrose, Philip J.
Ander, J.
Anderson, D. S.

Anderson, Hugh J.
Anderson, J. Murray
Andrew, Archdeacon G. A.
Andrew, George C.
Annett, D. R.
Ante, Irvin H.
Anthony, R. F. K.
Appleton, C. N.
Archbold, William D.
Archibald, C. Roger, Q.C.
Argue, D .R.
Arminas, John
Armstrong, H. C.
Armstrong, Robert L.
Armstrong, Warren
Armstrong, W. E.
Armstrong, W. G.
Armstrong, Hon. W. Park
Arnold, Harry A.
Asbury, Frank C.
Ash, W. M. V.
Ashforth, A. C.
Atherton, C.
Atkins, James
Austin, J. Jarvis

Babcock, Harold A.
Bagshaw, B. F.
Bagwell, George B., Q.C.
Bailey, John Arnold
Bailey, William Gill
Bainard, R. H.
Baker, Rev. A. Gordon
Baker, Albert G.
Baker, Allan D.
Baker, Donald J.
Baker, Col. E. A.
Baker, George
Baker, John R.
Balfour, Norman E.
Ball, J. R.
Ballantyne, R. B.
Bankes, John M.
Banks, Benjamin
Barber, Ernest J.
Barber, Orville B.
Barber, William
Barclay, D. F.
Bark, W. A.
Barlow, Hon. Justice F. H.
Barr, John A.
Barrett, Franklin L.
Barrett, L. C., Q.C.
Barter, Ernest J.
Bartlett, P. H.
Bassett, John
Bastedo, E. A.
Bate, William B.
Bater, G. W.
Bates, G. H.
Bates, Dr. Gordon
Batten, L. R.
Batten, Reg. A.
Bawden, H. N.
Baxter, Ian St. C.
Baxter, Major James, M.C.
Baxter, W. H.
Bealey, Ernest R.
Beamish, Royd E.
Beare, S. E.
Beattie, D. J.
Beattie, L. S.
Beatty, D. S.
Beauchamp, Walter N.
Beaupré, W. J.
Bedolfe, Robert D.
Beeston, George H.
Begley, George B.
Bell, Cecil B.
Bell, Cyril
Bell, J. Donald, Q.C.
Bell, J. R.
Bell, Norman B.
Belyea, Roy E.
Ben, George
Benitz, John
Bennett, A. B.
Bennett, Bruce T.
Bennett, David T.
Bennett, Dr. Gordon F.
Bennett, J. M., Q.C.
Bennett, Rev. Reginald M.
Bentley, A. F.
Bentley, Ralph D.
Bentley, W. A.
Berceller, Oscar
Beresford, J. G.
Berk, M. J.
Berkinshaw, R. C.
Berner, W. G.

Berry, Harry H.
Berry, J. Wilson
Berry, Rev. W. G.
Best, Douglas W.
Best, Gordon H.
Best, T. Harrison
Best, T. W.
Bick, C. O.
Bickle, W. N.
Biggs, G. L.
Bilbrough, W. H.
Birney, Gordon C.
Birrell, Dr. Russell G.
Bishop, Joseph
Blackstock, C. R.
Blainey, James E.
Blair, S. M.
Blair, Willis L.
Blake, Parker G.
Blanchard, H. A.
Blenkinship, C. S.
Boehm, A. Fred
Boland, John B.
Bond, H. B.
Bongard, Ian A.
Bonnaffon, Ashton
Bonnycastle, Lawrence C.
Bonus, John L.
Bonvun, Denis F.
Boone, Thomas
Booth, C. W.
Booth, J. K. B.
Booth, Ross W.
Borins, Norman, Q.C.
Borins, Stephen
Bosanquet, L. C.
Bosley, W. H.
Bosnell, G. M.
Bosworth, N. L.
Bourne, F. R.
Bourne, J. H.
Bourne, T. W. H.
Boyko, Joseph, LL.D.
Boyle, B. E.
Boyles, Thomas A.
Boysen, H. C.
Bradley, H. R.
Bradshaw, M. A.
Bradshaw, R. B.
Brain, George M.
Brander, F. Gerald
Branson, C.
Breakey, B. I. F.
Breckenridge, R. J.
Breithaupt, Douglas L.
Breithaupt, N. H.
Brent, John E.
Brethour, E. J.
Brett, Harold O.
Breuer, K.
Broad, Charles H.
Broad, F. Ralph
Brockington, L. W., C.M.G., Q.C., LL.D.
Brocklebank, Frank
Brodsky, Jack
Brooks, Dr. Clarence E.
Brooks, Herbert
Broomfield, George
Brosseau, B. L. P.
Brown, D. A.
Brown, Donald J.
Brown, F. Irving
Brown, G. D.
Brown, George M.
Brown, Hugh E.
Brown, J. L.
Brown, James N. M.
Brown, J. Somerville
Brown, J. W.
Brown, Mannie
Brown, Marcus L.
Brown, Ross S.
Brownbill, H. F.
Browne, W. H.
Browning, W. H.
Brumell, J. K.
Bruton, Maclean Wm.
Bryce, Robert A.
Buchanan, Dr. Bruce H.
Buck, Dr. C. A.
Buckley, R. J., C.P.A.
Budd, Edward B.
Buddenhagen, W. C.
Bull, J. N.
Bullied, Arthur
Burden, John M., Q.C.
Burgess, Horace T.
Burkart, W. W.
Burke, E. T. C.

Burke, H. Gwynne
Burke, Wm. G.
Bumell, J. K.
Burn, John M.
Burn, Kenneth
Burnard, F. S.
Burnham, Arthur
Burns, Chas. F. W.
Burns, James E.
Burns, Lt. Col. Lesslie J. W.
Burnside, E. G.
Burrows, R. G., Q.C.
Burton, E. G.
Burton, Lt. Col. G. Allan
Bury, W. H.
Bushnell, Wm. J.
Butler, W. Chester
Butt, L. W.
Byers, Victor G.

Cadario, H. P.
Cadesky, L.
Calladine, Eric A.
Callow, A. C.
Cameron, Donald, Jr.
Cameron, E. Rodney
Cameron, Robert C.
Camken, L. A., M.B.E.
Campbell, Brig. Colin A.
Campbell, E. M.
Campbell, H. C.
Campbell, Dr. H. H.
Campbell, Ian L.
Campbell, Lt. Col. J. D. H.
Campbell, John R., Q.C.
Campbell, Paul J.
Campbell, Hon. Peter, Q.C.
Cannon, Dr. C. F.
Caplan, Isadore
Cappe, N. R., Q.C.
Cardy, A. Gordon
Carey, A. R.
Carlisle, D. C.
Carlo, John C.
Carmichael, John B. W.
Carnegie, A. D.
Carpenter, J. H.
Carnegie, F. T.
Carr, E. P.
Carradus, Capt. H. R.
Carrick, Donald D., Q.C.
Carson, C. E.
Carson, James L.
Carson, R. B.
Cartwright, T.
Carver, R. D.
Cary, Len
Cary, Reginald
Cassels, Gordon T.
Casserly, F. W.
Cassidy, Hugh F.
Casson, Richard
Catto, James A.
Cavell, H. E.
Chalmers, Floyd S.
Chambers, H. J. A.
Champion, R. H.
Chant, Dixon S.
Chapman, F. D.
Chapman, S. F.
Charles, Leo E.
Chester, Lane R., C.A.
Chisholm, Robt. F.
Chorlton, John M.
Christie, Col. J. H., M.C., E.D.
Christopher, W. H.
Chrysler, H. W.
Ciglen, Samuel, Q.C.
Clark, A. P.
Clark, A. S.
Clark, E. C.
Clark, George F.
Clarke, George F. S.
Clarkson, G. H.
Clarry, John H. C.
Clemence, J. C.
Clemes, J. C.
Clinkard, Herbert S.
Cobban, William A.
Cochrane, J. M.
Cockburn, Blake A.
Cohen, John C.
Coke, Major E. F.
Coker, John M.
Colby, S. A.
Cole, Sydney
Cole, T. F. C.
Colebrook, H. G.
Coleman, John H.
Coles, Gordon E.

Collett, Wm. M.
Collier, W. R.
Comber, W. W., C.A.
Connell, J. H. E.
Connolly, C. P.
Conquergood, C. R.
Coo, H. Douglas
Coo, N. Douglas
Cook, Douglas H.
Cook, F. Gordon, Q.C.
Cook, H. E.
Cook, R. A.
Coome, A. W.
Cooper, Dr. W. J.
Copeland, W. M.
Corbett, H. Milton
Corbett, J. E.
Corlett, Alva R.
Cormack, Wm. B.
Cornish, F. Joseph
Corrigan, Lt.-Col. C. A., D.S.O., V.D.
Corrigan, J. H.
Cory, Peter DeC.
Cosbie, Dr. W. G., M.C.
Cosby, Stanley C.
Cosgrave, Rev. Dr. F. H.
Couke, J. H.
Coupland, W. C.
Coutts, Earle K.
Coutts, William E.
Coventry, A. J.
Cowan, Albert
Cowan, H. F.
Cowan, O. D.
Cowan, P. J.
Cowan, W. D.
Coward, Laurence E.
Cowling, Alfred H.
Cox, Everett S.
Coy, Wm. H.
Craick, W. A.
Craig, Lt.-Col. J. A. D., O.B.E., E.D.
Craig, J. L.
Craigie, W. A. J.
Cranfield, Dr. Harold V.
Crang, J. H.
Crashley, Lt. Col. J. D., C.D., A.D.C.
Crawford, E. S.
Crawford, F. J.
Crawford, J. K. L.
Creighton, W. L.
Cresswell, David
Cresswell, H. A.
Creswell, James A.
Crichton, R. J.
Crispin, R. John
Crompton, R. G.
Croombs, William J.
Cross, William B.
Crossan, J. H.
Crossingham, J. H.
Crossley, F. W.
Crudge, R. W.
Cruickshank, Dr. W. H.
Crummey, Dr. Clarence B.
Crump, James F.
Cudbird, L. J.
Culnan, Dr. G. F.
Cummings, Herbert V.
Cummings, Walter M.
Cummins, R. L.
Currie, Gordon S.
Currie, H. D. G.
Currie, Wm. M.
Curry, T. E.
Curson, B. R.
Curtis, G. H.
Curtis, W. Gordon
Cuthbertson, Gordon

Dadson, A. S.
Dagg, H. M.
Dale, R. G., D.S.O., D.F.C.
Dales, Robert L.
Dalrymple, E. Ross
Dalrymple, John E.
Dalton, Lt. Col. C. O., D.S.O.
Dalton, William H.
Daly, R. A.
Daly, R. A., Jr.
Darroch, H. C.
Davey, R. Ian
Davidson, I. D.
Davidson, Philip, Q.C.
Davie, James H.
Davies, Rev. Emlyn
Davies, Rev. F. V.

Davies, H. E.
Davis, E. R., B.SC., P.ENG.
Davison, Martin A.
Davison, Wilfred
Dawson, Isaac
Day, H. R.
Day, Robert E.
Day, W. D.
Deacon, John A., Q.C.
Deacon, P. S.
Dean, Harold B.
Deans, M. C.
Dearlove, Frank E.
Dedman, Arthur M.
Deeks, Dr. S. H.
DeGuerre, Fred L.
Delahey, W. A.
Delamere, R. D.
Denning, Rev. H. M.
Dennison, William
Derry, Duncan R.
Despard, J. E.
Dewar, A. M.
Dickey, A. J.
Dickinson, Dr. C. H.
Dickinson, M. R.
Dierlam, Howard
Dies, W. C.
Diltz, B. C.
Dilworth, W. A.
Dingle, D. B.
Disney, Russell
Dix, William B.
Dixon, A. B.
Dixon, B.
Dixon, J. W. M.
Doherty, Jas. H.
Dolson, Dr. Wilbur J. M.
Donovan, Geo. R., Jr.
Dowie, Ian R.
Dowsett, H.
Dowsett, R. E.
Drucker, Leo D.
Drury, G. M.
Dubin, C. L., Q.C.
Duff, John A.
Duffet, Norman G.
Dunbar, Arthur W.
Duncan, J. R.
Duncan, W. A.
Duncanson, Frank S.
Dunkelman, D.
Dunlop, J. P.
Dunlop, W. A.
Dunn, David
Dunn, William
Durnan, N. E.
Dutton, Thomas M.
Dwyer, F. A.
Dwytie, K. I.
Dye, Harold E.
Dye, R. A. E.
Dyer, Virgil V.

Eade, Edgar
Eakin, Joseph S.
Eckersley, Alfred
Eckler, Henry H.
Eckler, Samuel
Edwards, Alexander
Edwards, A. Geoffrey, F.C.A.
Edwards, A. H.
Edwards, Dr. H. E.
Edwards, H. W.
Elder, C. K.
Elder, John J.
Elgie, G. C., Q.C.
Elliot, B. V., Q.C.
Elliott, Charles R., C.A.
Elliott, Donald R.
Elliott, Gordon E.
Elliott, Harold H.
Elliott, Stephen
Elliott, W. Earle
Ellis, C. Q.
Elmore, Thos. S., Q.C.
Elton, J. O.
Ely, Edward H.
Emerson, L. E.
Emerson, R. V.
Emmert, T. J.
Emond, Douglas L.
Emonson, Bruce
Empringham, John R.
Engholm, F. G.
Engholm, R. A.
Epstein, H. B.
Epstein, Morris H.
Ethell, H.
Etherington, F. C.

Evans, S. T.
Ezrin, Sydney

Faber, George
Fairbairn, R. L.
Fairclough, R. Peter
Falkiner, F. H.
Fallis, Clare R.
Fallis, George A., Q.C.
Falls, Orville M.
Faludi, Dr. E. G.
Fardoe, H. R.
Farmer, Patterson
Faulder, W. H.
Favager, F. G.
Fayle, L. V.
Ferguson, George S. P.
Ferguson, Gordon F.
Ferguson, P. B. G.
Fessenden, C. V.
Field, E. M.
Findlay, William
Fish, Benjamin
Fisher, A. J.
Fisher, Alex G.
Fisher, Frank
Fitzgibbons, J. J. Jr.
Flavelle, Sir Ellsworth
Fleming, Hon. D. M., Q.C.
Fletcher, S. S.
Flint, Lyman G. B.
Flood, Lennox E.
Flora, L. J.
Flynn, W. Hugh
Fockler, Ewart K.
Fodor, Nicholas
Follett, Archibald J.
Follett, Gordon
Follett, Ralph N.
Foord, Lionel H
Foot, D. L.
Ford, Gordon W., Q.C.
Ford, Kenneth G.
Forman, Jerome F.
Forster, F. E.
Forsyth, C. D.
Foster, R. E.
Foulds, Kenneth A., Q.C.
Fournier, R. P.
Fox, George E.
Fox, G. Kingsley
Fox, John H.
Francis, Dr. William G.
Frankel, Roy H.
Fraser, D. G.
Freedman, Bernard
Fremes, Charles
French, D. J.
Freyseng, Willis P.
Fricker, Eric
Friesen, David H.
Friesen, Edward J.
Frittenburg, G. D.
Frost, C. Sydney
Frost, Lt. Col. C. Sydney, Q.C.
Fry, H.
Fryer, J. D.
Funston, R. O.

Gairdner, J. A.
Gairdner, John S.
Galbraith, C. W.
Gallagher, Rev. W. J., M.A., B.D., D.D.
Galloway, Charles T. P.
Garbutt, W. C.
Gardiner, George C.
Gardiner, Percy R.
Garlick, Roland D.
Garrett, Albert H.
Garside, S. T.
Gartley, J. C.
Gaskell, Ian M.
Gassard, H. L.
Gathercole, George E.
Gaunt, J. William
Geggie, Thomas P., C.A.
Geisler, R. A.
Gelber, Marvin B., M.P.
Gelinas, Ernest A.
Gelleny, J. J.
Geller, John A.
Geller, M. J.
Gemmell, John S.
Georgas, Michael P.
Gerrard, William
Gerstein, Bertrand
Gianelli, Brig. Norman A.
Gibbens, W. M.
Gibson, Hon. Justice Colin

Gibson, Harold
Gibson, J. Douglas
Gibson, Brig. T. Graeme
Gilbride, W. P.
Giles, Peter A. K.
Giles, T. S. H.
Giles, W. H.
Gill, Ernest I.
Gillanders, Dr. E. B.
Gillespie, A. Grant
Gillespie, Ross R.
Gillingham, W/C Harold G.
Gilmour, D. W.
Glover, H. N.
Godbold, R. S.
Godfrey, Frank
Godin, J. K.
Godsall, Gordon H.
Gohn, Byron E.
Goldring, Dr. C. C.
Goldring, C. Warren
Goldring, Dr. L. W.
Goldsmith, Martin
Goldsmith, Wm. L.
Goldson, W. Leonard
Gooderham, F. L.
Gooderham, Lt.-Col. Melville S.
Goodfellow, Bruce
Goodman, Edwin A., Q.C.
Goodman, Fred C., C.D., M.C.
Goodman, J. Edward
Gordon, E. W.
Gordon, Irwin
Gordon, Brig. J. Neil, D.S.O.
Gordon, K. E.
Gordon, William E.
Gore, Graham M.
Gorham, W. E.
Gosling, Gordon W.
Gossage, B. F.
Gourley, George
Graesser, H. F.
Grafstrom, V. F.
Graham, D. M.
Graham, Lt.-Gen. H. D., C.B.E., D.S.O., E.D., C.D.
Graham, J. J.
Graham, J. Lindsay
Graham, J. Rennie
Grainger, R. N.
Grandy, T. C.
Grant, Maj. C. M.
Grant, David R.
Grant, G. E.
Grant, James A.
Grant, J. R.
Grant, J. W.
Grant, W. G. F.
Grasett, H. W. S.
Gray, Rev. Bruce G., D.D.
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Green, J. D.
Green, Joseph L.
Greenglass, David
Greenglass, Morton
Greenwood, L. C.
Gregor, Tibor P.
Gregory, Rev. L. A., D.D.
Greig, David N.
Grier, Col. C. G. M., E.D., M.A.
Griesdale, C. E.
Griffin, John W.
Griffiths, F. D.
Grimbly, Maurice
Gross, Charles
Gross, Harold
Gullett, Dr. D. W.
Gundy, C. L.
Gunn, Major General John A.
Gunn, Robert F.
Gwynne-Timothy, K. G. R.

Hadden, Eugene R.
Hagon, W. A.
Hahn, George
Hall, F. E.
Hall, H.
Hall, Howard A.
Hall, Lt.-Col. I. C.
Hall, P. Frank T.
Halls, Peter E.
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Hamilton, H. D.
Hamilton, R. M. P. .
Hancocks, Oliver
Hanna, Wm. B.
Harbinson, V. D., F.C.A.
Harding, John L.
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Harley, D. S.
Harpham, Horace
Harries, Lt. Col. M. R.
Harrington, Dr. Paul
Harris, Edward L.
Harris, William B.
Harris, W. C.
Harrison, Wm. H.
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Harvey, Warren G.
Harvey, Dr. W. J.
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Hayden, Hon. Salter A., Q.C.
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Hearst, H. V., Q.C.
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Hellyer, Hon. Paul T., M.P.
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Henderson, D. C.
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Hill, Roy C.
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Hinton, D. R.
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Hogg, Lt.-Col. N. D., M.B.E., E.D.
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Hough, Jack
Houghton, P. J.
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Ingram, William
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Irwin, N. L.
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Irwin, Wallace

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Jarvis, Albert
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Jeffrey, P. G.
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Jennett, Lorne B.
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Jones, Oakah L.
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Jones, Terence L.
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Jupp, Donald H., O.B.E.

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Kasman, Philip
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Kaye, Alex. B.
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Keefer, Major T. C.
Keeler, L. A.
Keenan, J. S.
Keith, I. C.
Kellow, Ralph S.
Kelly, T. E.
Kennedy, Jack R.
Kenny, M. K.
Kent, James Palmer, Q.C.
Kent, T. Douglas
Kenton, Rolf

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Kerr, John E., Q.C.
Kerr, L. W.
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Kert, Lawrence
Kert, Sheldon
Keyes, Gordon
Keys, Norman A., Q.C.
Kidd, David
Killackey, James C.
Kinahan, John W.
Kindersley, C. M.
King, Edward O.
King, T. A.
Kinghorn, A. A.
Kingsbury, E. D.
Kingsmill, A. S.
Kingsmill, Col. C. D.
Kinnear, T. Clark, F.C.A.
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Kirchbaum, Dr. J. M.
Kitchen, C. E., Q.C.
Kitchen, Dr. Irving D.
Kitchen, Rev. Sterling J.
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Knight, J. F.
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Koerner, W. R.
Komura, Kazuhide
Koropp, John
Krane, J. D.
Kyle, J. C., C.L.U.

Lacey, Rev. E. C.
Lackie, Dan
La Ferle, Charles
Laffey, James V.
Laidley, Kenneth R.
Laing, G. Blair
Lambert, A. T.
Lampert, H.
Lamport, Allan A.
Land, Gordon W.
Landreville, Hon. Justice L. A.
Lane, F. E.
Langer, Henry P.
Langford, H. E., Q.C.
Langley, Arthur James
Langley, G. B.
Large, Peter K.
Lark, Rev. G. A. W.
Larkin, Montague
Larry, Lou J.
Lascelles, G. A.
Laski, Dr. Bernard, M.D., F.R.C.P.
Laughlen, G. A.
Laughlin, J. E.
Laughlin, K. D.
Laurin, C. J.
Law, Robert
Lawer, John V.
Lawlor, J. P.
Lawrence, Allan F.
Lawson, Frank G.
Lawson, H. R.
Lawson, L. W.
Lawson, M. B. M.
Laxton, Edward
Lay, Harry M.
Leake, Ray
Leal, H. Allan, Q.C.
LeCapelain, R. R.
Leck, R. H.
Leckey, Robert H.
Ledingham, H. R.
Lee, Edward A.
Lt. Col. B. J. Legge, E.D., Q.C.
Legge, W. R.
Lehberg, F. H.
Leibel, Dr. Bernard
Leibel, William
LeMay, R. T. M., C.A.
LeMesurier, A. S.
LeMesurier, J. Ross
Leslie, Dr. Douglas
Levenston, Lt.-Col. G. F.
Lever, Harold
Levinter, B. V.
Levinter, Isadore, Q.C.
Levy, Mark A.
Levy, Mort L., C.L.U.
Lewis, Dr. A. C.
Lewis, Claude E.
Lewis, Richard G.
Lewthwaite, R. G.

Libman, Ben
Lillyman, Reginald
Lind, W. H.
Lindsley, T.
Linklater, James Wm.
Linton, Hall
Lipsit, E. C.
Liptrott, R. Edward
Liscombe, Wm. L.
Livingston, J. A.
Livingston, Wm. R.
Lizotte, Charles J.
Lloyd, Trevor
Lofquist, J. C.
Loftus, R.
Loftus, S.
Lomer, David
London, Norman H.
Long, Norman W.
Lovett, J. H.
Lucas, F. O.
Lucas, Gordon T.
Lucas, Robert
Lundy, R. J.
Lundy, Stanley
Lush, H. V.
Lutton, T. G.
Luxenberg, Benjamin, Q.C.
Lyall, Robert H.
Lynas, A. J.
Lyndon, Patrick
Lyons, John W.

Mabley, C. B.
MacCallum, N. W.
MacDiarmid, Kenneth H.
MacDonald, Arthur A.
MacDonald, Donald C., M.P.P.
MacDonald, J. K.
MacDonald, Murdoch K.
MacDonald, W. B.
Macdonnell, H. W.
Macdonell, Rex B. G.
MacDougall, W. Murray
MacEachern, Gordon A.
MacFarlane, Donald A.
MacFarlane, Dr. J. A.
MacFarlane, W. S.
MacFeeters, Ronald L.
Machin, H. C.
Macintosh, J. M., Q.C.
MacKenzie, B. R. P.
MacKenzie, D. Rae
MacKerrow, Robert
Mackersy, L. S.
Mackey, James
Mackie, Ernest B.
Mackie, R. A.
MacKinnon, Angus P.
MacKinnon, Dr. A. R.
MacKinnon, Peter B. L.
MacLaren, Ian
MacLean, Hugh J.
Macleod, G. H.
Macnaughton, Alex, Q.C.
Macphee, Norman
MacPherson, Donald S.
Madill, Dr. W. S.
Maedel, Clare W.
Magee, Harold L.
Magi, M. I.
Mainguy, Vice-Admiral E. R., O.B.E., C.D.
Mair, Mace, O.B.E.
Male, W. Harold, Q.C.
Mander, David A.
Mann, Wm. H.
Manning, G. L.
Manning, J. R.
Manning, John E.
Mansfield, S. J.
Marchant, C. R.
Marchment, W. R.
Markon, K. L.
Marks, Maj. J. B.
Marley, Major E. H., M.B.E., T.D.
Marr, Donald P.
Marshall, G. Murray
Marshall, Hilary
Marshall, R. H.
Martin, A. S.
Martin, C. C.
Martin, J. A.
Martin, J. C.
Martin, Walter M., Q.C.
Mason, J. A.
Mason, V. K.
Mason, Wm. R.
Massie, Major J. H. C.

Massie, R. H. L.
Mather, J. J.
Matthews, Maj. Gen A. Bruce
Matthews, Brig. F. Beverley, C.B.E., Q.C.
Matthews, Frederick J.
Matthews, James G.
Matthews, John L.
Matthews, Wilfrid E.
Maybee, W. E.
Maynard, J. C.
Mayo, George F. M.
Mayson, I. A.
Mayzel, Harry
Mayzel, Louis
Mazzoleni, Dr. E.
McAfee, Raymond E., C.A.
McAlpine, Charles L.
McAlpine, R. J.
McAvoy, Louis Peter
McBain, Alex Mc.D.
McBride, Ernest W.
McCabe, V. J.
McCaffrey, E. R.
McCamus, W. H.
McCann, Fred V.
McCarthy, John L.
McCartney, W. S.
McCaul, L. F.
McCausland, Gordon A.
McClellan, L. A.
McClure, G. Chester
McConkey, D. C.
McConnell, J. E. Jr.
McCormack, T. G.
McCraw, D. F.
McCready, Emmerson J.
McCulley, Joseph
McCullough, J. L.
McCutcheon, Hon. M. W.
McCutcheon, W. L.
McDonald, D. F.
McDonald, W. H.
McDonough, John E.
McDougald, J. A.
McDougall, R. G. M.
McEachern, C. D.
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McEwan, I. A.
McEwen, A. V. M., C.M.
McEwen, Gordon C.
McGaw, A. F.
McGeachy, J. B.
McGill, Cecil D. O.
McGillawee, Ross
McGillion, F. B.
McGillivray, Mr. Justice G. A.
McGillivray, T. A.
McGillivray, Robert H.
McGinnis, Lt.-Col. J. A.
McGowan, H. S.
McGowan, J. R.
McGowan, L. J.
McGrath, Rev. A. S.
McGregor, I. R.
McGuinness, M. B.
McIntosh, Donald A.
McIver, Murdoch
McKay, W.
McKee, Dr. James A.
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McKinney, F. T.
McKinney, R. Eldon
McKinnon, N. J.
McKnight, J. G.
McLachlan, W. Ian
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McLaren, A. W.
McLaren, D. H.
McLaughlin, Paul
McLeod, Dr. Alex. N.
McLeod, W. N.
McMahon, Hugh W.
McMaster, W. C.
McMechan, J.
McMillan, Edwin
McMillan, G. A.
McMillan, Rev. Kenneth G.
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McMurrich, R. G.
McMurtry, W. G. Warren
McNair, F. A. R.
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McNeil, S. R. R.
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McNicol, J. A.
McParland, Donald J.
McQuillin, C. W.

McRae, Dr. Colin A.
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McTague, Hon. C. P., Q.C., LL.D.
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McTeer, George S.
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Meech, R. G., Q.C.
Meincke, Dr. H. O.
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Melvin, R. McK.
Menzel, D. G. C.
Merson, Bert
Messer, Harry W.
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Michener, Hon. D. R., P.C., Q.C.
Middleton, John G., Q.C.
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Miles, Ernest
Millar, R. V.
Millenbach, J. P.
Miller, D. R.
Miller, G. W.
Miller, Hamilton
Miller, I. Lee
Miller, J. A. F.
Miller, James C.
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Miller, T. D.
Mills, Dr. Clarke
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Milne, Alex G.
Minden, Harold
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Mitchell, A. W.
Mitchell, Dr. E. W.
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Mitchell, Geoffrey P.
Mitchell, N. Albert
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Mitchell, Robert
Mitchell, William G.
Moffat, Norman D.
Moisley, P. T.
Moles, E. M.
Monier, Jean B.
Monson, Rabbi David
Montague, Lt.-Col. W. H., O.B.E.
Montgomery, Scott
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Moorhouse, Dr. H. C.
Morden, W. D. S.
Morgan, E. Burtch
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Morgan, Major J. R. H.
Morgan, Marcel T.
Morison, D. W.
Morley, Frank
Morris, J. B.
Morrison, D. M.
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O'Neill, H. T.
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